THE FINANCIAL POST

The Canadian Newspaper for Investors.

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GUELPH RADIAL A HEAVY BURDEN ON RATEPAYERS

Deficit of Year Will Mean 2 2/3 Mills on the City's Assessment

SITUATION CRITICAL

Council Appoints Committee to Look Into Matter of a Connection—May Mean Overtures to C.P.R.

Special Correspondence.

GUELPH.—The serious financial burden which the Guelph Radial Railway has become to the taxpayers of the city has again been brought to public attention this week by Alderman Westoby, chairman of the Railway and Manufacturers Committee, in a report to the council. The loss on the year's operations will amount to over $33,000, equal to 3 2-3 mills on the dollar, which means a liability against all taxable property to that extent irrespective of the fact that only about half the people of the city can use the system. Following i the business-like summary of the situation as presented by Alderman Westoby:

> Figures for the eight months ending August, 1919, show that we have lost $5,138.00 in running the road, or in other words, that we have failed to earn by $5,138.00 enough money to pay our expenditures for that time. This is equal to $7,707.00 for the entire year. The new wage schedule calls for $6,500 a year more to be paid in wages, and when we add to this the annual bond interest, we get the rather startling figures of $33,250.00 as a sum we are likely to show as the annual loss on our street railway. This sum equals 3 2-3 mills on the dollar, and it means that all taxable property might be called upon to pay 3 2-3 mills for the street railway alone, irrespective of the fact that only about half of the people of Guelph can use the railway. The figures are as follows:—

Loss for 8 months	$5,138.00
Equivalent for 12 months	7,707.00
New wage scale adds	6,500.00
Annual bond interest payable	11,043.00
Allowance for depreciation	8,000.00
Annual loss estimated	33,250.00

> The capital stock of the street railway is $169,870.00, so we stand to lose under private management a sum equal to 19 per cent. of the capital invested.

This heavy tax liability and 19 per cent. loss on capital investment under public ownership with civic operation is contrasted with the Guelph Junction Railway in which there is practically the same capital investment, but which, although owned by the city, is operated by the Canadian Pacific. Last year the Guelph Junction earned for the city $61,500, or a sum equal to nearly 7 mills of the city's taxation, and this year it is expected that the earnings will run $80,000. Mr. Westoby says: On the one road we lack the efficiency and service that is the cause of the success of the other road.

Alderman Westoby went on to explain that the Radial road was in a very bad condition, and a lot of money would have to be spent, at least $150,000 more to put it in proper shape. New one-man cars would have to be purchased. There were three things they could do, lock up the cars in the barns and save about $14,500 a year, sell the road outright, or put it in a proper state of repair. He remarked that the road was being badly managed, the men were doing just as they liked, and there was no relief in sight.

Overtures to the C.P.R.

From the comparisons made with C.P.R. efficiency and from the trend of the discussion which preceded a resolution appointing a committee to go into the whole situation, the inference seems obvious that the reference of Alderman Quarmby to getting "outside connection" may be followed by overtures to the C.P.R. to link up with the Grand River Railway at Hespeler. This, it will be remembered, was the project of Mayor Carter which was submitted to the ratepayers some time ago and was defeated because of Sir Adam Beck's appeal for support for the Hydro Radial scheme and the cause of public ownership as championed by himself.

Since the vote it is known that there has been a change of opinion with regard to C.P.R. connection in some quarters, where the activities of Kitchener in the development of Grand River Railway plans for development into the territory to the north are regarded with considerable apprehension.

Sir Adam on the Job

The action of the Guelph council in looking to an outside connection has aroused Sir Adam Beck to his usual reckless activity. The Hydro Commission had been asked to make a report on the matter and that anything should be done until he has had his full say, does not please the Power Knight. He has promised to speed up his report, but whether it will be more definite than his previous statements remains to be seen. It is generally felt that the Hydro is placing a heavy strain upon local public ownership loyalty and that something practical must be done if Guelph is not to lose out by following too closely the orders of Sir Adam.

CANADA CEMENT SETTLES CLAIMS FOR WAR WORK

U.S. Gov't Takes Over Some Machines, Leaving Plants and Property

EXPORT IMPROVING

Now Extends to Four or More Countries—Of Late Domestic Business Shows Considerable Advance

By Resident Representative.

MONTREAL.—While the dispute rages over the charges of unfairness made against the offers of U. S. Government officials in settlement of claims of a number of Canadian munition plants, the Canada Cement Company is resting easily, for THE FINANCIAL POST learns that it has already effected a settlement. A number of special machines have been taken off its hands, and it bought back the race course grounds that it purchased for the construction of the last big proposed plant. During the present year it is improbable that the settlement will make much if any difference in the earnings statement of the company, as vacant property or plant must necessarily be held at a conservative figure until it can be disposed of or utilized for the company's own purposes.

As the year draws near the end, it is learned that the company's sales of cement are showing a considerable increase over last year's This applies, of course, to the second half of the year as the earlier business was light. Next year is expected to show a much larger advance in orders and production.

So far as export business is concerned, THE FINANCIAL POST is informed that it continues fairly active. Already connections have been established with the British West Indies, Cuba, South America and South Africa, and shipments have been made to all these countries. The company's expectations in these cases is not so much to show a profit in export business out of the first year's business, but to build up connections that may be permanent. Next year, it is believed, export shipments will be much larger, with improved shipping facilities, and this end of the business seems likely to bulk more largely year by year.

So far as the war work is concerned, it was thought at once time that some of it, such as the manufacture of fine grade steel might be developed, but so far this has not been worked out, and at the present time the plants are engaged wholly in the manufacture of cement.

Just how the 1919 statement will compare with that of 1918 is not known, but with the late increase in production it is felt that the present year will at least show up well in comparison with 1918. It will be remembered that little of the profits that might have been expected from the munitions work appeared in the annual statement, as the claims against the United States Government were unsettled at the time the statement was prepared. Thus there is little in that direction to be offset this year. The stock continues rather inactive at around 70-70½.

GODERICH MAYOR OPPOSING SCHEME LAKE HURON STEEL

Cannot See His Way to Annexation of Block of Land

THE COMPANY'S VIEW

Position of Promoters Set Forth in Letter by Mr. McCreath —Is Public Opinion With Mayor Wigle?

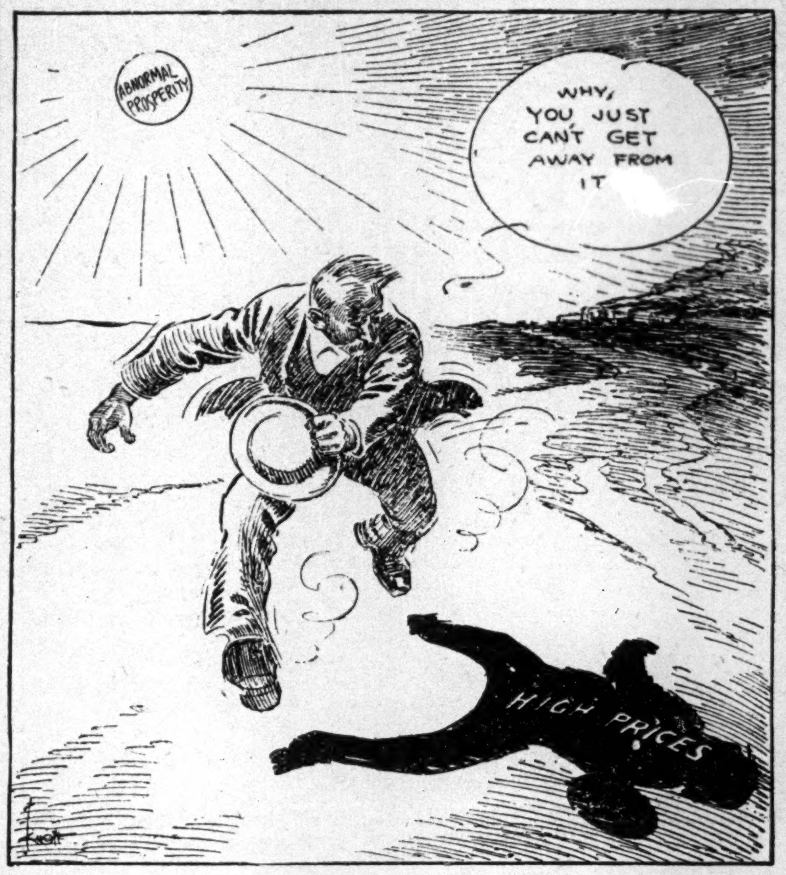
Things are not going well in connection with the establishment of the proposed Lake Huron Steel Corporation at Goderich. In fact negotiations at present have taken the form of an abusive campaign by B. H. McCreath against E. R. Wigle, mayor of Goderich, because the latter cannot see his way clear to go ahead and favor the annexation of a large block of property to the town.

In a recent issue of the Goderich "Signal" there appeared an open letter from Mr. McCreath to the Mayor of Goderich. It sets forth Mr. McCreath's side of the trouble as follows:

> There has come to my notice through the press and otherwise the remarks which were made by yourself and certain other members of the council in connection with the proposed annexation of the land to the south of the town. Let me say frankly, such pessimistic piffle is what has been the trouble with this community for many years.
>
> The by-law which you were asked to vote upon was merely to show your good faith. On condition that the company would guarantee — and that guarantee had to be acceptable to the town—that they would spend here $2,000,000 during the next eighteen months, the town would agree to annex the land to the south of the town and give freedom from taxation on the industrial area. Surely no fairer offer was ever made to any community.
>
> The reason for your stand on the matter is not clear, for since the very inception of the proposition you have never given it the support it should have received and in fact your attitude has been worse than if you had been an out and out opponent of the scheme. When one is in the vicinity of a mule it is not necessary to wait until he kicks; his ears are sufficient warning for most people.
>
> Let me make a resume of the course that you have taken during the past few months:
>
> You were one of those who stood sponsor for the delegation which went to Ottawa, yet you very carefully sidestepped the trip yourself and later acknowledged to me that you had no desire to go.
>
> Not once but many times during the summer when we were endeavoring to close up the options on the property, different owners questioned me as to why you took the attitude of knocking the whole proposition. No doubt you will now say that this did not happen, but as stated above your every action has been one of opposition.
>
> Two days before certain directors of the Company arrived here, I asked you to meet them and discuss certain phases of the situation. What was your answer? "I have many things to do this week and do not think I can find time to see them." And these men were here representing a Company that if located here would make Goderich a city in two years.
>
> I might have overlooked your attitude in the first few weeks when these negotiations were in progress, if you had taken any steps at a later date to give the citizens of the town any leadership in finding out the standing of the men behind the Company. Mr. Warren and myself went to your office and gave you a list of the directors and the names of two additional men not made public, and asked you to investigate their financial and business standing. Three weeks went by and you can imagine my amazement when, two days before your council was to consider the by-law, you told me in your office that you had not a single line with reference to any man in the Company.
>
> You were really a manager of a huge stock company of some 5,000 shareholders. When a proposition such as this was placed before you, it was your duty to immediately make every effort to ascertain the standing of the men behind the Company so that you would be able to give some leadership to the community. Rather than that you took the opposite course and took no personal action in investigating any member of the Company and at the end of three weeks had absolutely no information as to any one of them. Had you been alive to your duties you would have personally visited Detroit, Cleveland and Newark to have a personal conference with the men mentioned and to get a line on their financial stability.
>
> You chose the other course and from reports in the press you apparently adopted your usual method of sneering criticism and a desire not to meet facts but to throw in our path every possible obstacle.
>
> This community has been offered, without obligation, the biggest industry

Continued on page 16.

A National Phenomenon



"News," Dallas, Texas.

A personal experience that most of us have had lately.

G.W.V.A. DEMANDS A VERY SERIOUS PROBLEM FOR THE GOVERNMENT

Would Mean a Heavy Increase in National Debt—Sir Thomas White Presents Strong Arguments Against Proposals

By Resident Representative.

OTTAWA.—The financial position of Canada to-day, and a realization of what it may be to-morrow if the demands of all those who have an eye on the treasury are met, is beginning to cause some furious thinking. The committee of the House appointed to look into the matter of gratuities and other expenditures in connection with soldiers' civil re-establishment is getting a concrete grasp of the situation; and, frankly, it is scared.

The demands of the soldiers headed by Flynn, would involve an expenditure of from 800 millions to one billion dollars. Those demands were dismissed without serious consideration, as they were obviously impossible; all that can be said in favor of the proposals put forward by the far saner G.W.V.A. is that they are only half as bad. They call for an expenditure of about four hundred millions. While the committee was wrestling with this problem, T. C. Boville, Deputy Minister of Finance, appeared before it. He pointed out that Canada's debt had increased nearly six hundred per cent. since the year of the war. At the present time it is around $1,700,000,000. The new loan will probably increase that by about $400,000,000. Before the end of the next fiscal year the debt of Canada will be close on two and a half billion dollars. The receipts from consolidated revenue are estimated at about 244 millions. Obviously, there is a record breaking deficit confronting this Government; and it would not be surprising if there should be a desire on the part of some of its members to flee from the wrath to come.

Sir Thomas White, in his clear-cut presentation of the case against the gratuities, was even more convincing. The former minister of finance submitted detailed information which supported the general arguments which were advanced by THE FINANCIAL POST in its issue of September 13, when the Flynn demands were first discussed. No one with a grasp of the business affairs of the nation—usually called economics—could listen to the arguments of Sir Thomas without being convinced that to finance the returned men on anything like the scale proposed would be practically impossible. That the representatives of the G. W. V. A. will give careful consideration to his arguments is to be earnestly hoped.

Economic Experimentalists

The mere debt and commitments of the Government are not so serious in themselves; unhampered, a country of such great natural resources as Canada should, by the exercise of those qualities of wisdom and economy which are inherent in the old Canadian stock, at least be able to dig itself out of the hole. But, side by side with this critical situation, we find that there is a spirit of experimentalism abroad. Doctrinaire economists are seeking this worst of all possible times for an opportunity to try out their ideas. East and west the farmer is organizing for political action on a platform which involves so radical a departure from the historic policy of Canada for the past fifty years, that, even if good in itself, its adoption would certainly have the immediate effect of disrupting business. And any disruption of business in the near future would almost spell ruin to Canada.

The plan proposed to the parliamentary committee, and which it is now hearing representations on from the Great War Veterans and other soldier bodies, is, admittedly, presented by the most conservative element in that organization. This being so, it may be imagined what is the spirit which animates the returned men generally. This may be defined as a firm conviction that there should be a levy on accumulated capital and vested interests in Canada; including, as one of those who appeared before the committee suggested, the appropriation of the unclaimed balances in Canadian banks. Generally speaking, the more conservative of those who have appeared before the committee have not undertaken to suggest means of raising the money to meet their demands; but they have been very firm in intimating that the wealth exists in Canada and must be levied on.

Funds For Grand Trunk

At the same time the Government is confronted with other embarrassments the solution of which will involve a very large amount of money. One of the most pressing is the railway situation. For weeks past the spectre of the Grand Trunk Railway has been looming up. Notice was given this week that, before the present Parliament is prorogued, enabling legislation will have to be passed so that the Government may be prepared to deal with the matter when negotiations shall have reached the proper point.

If the terms of this legislation are of the character anticipated, the chances are that it will be fought very bitterly by the Opposition. The Government is willing to take over the Grand Trunk at a rental of $3,600,000 a year on a 99-year lease; but the officials of the road are claiming

Continued on page 9.

THE MOVEMENT BROADENS AND PRICES MOVE UP

Demand Finds Holders Little Inclined to Take Profits

SELLING VICTORYS

Prevailing Premium Attractive to Those Proposing Re-investment in New Issue—Mines Are Dull

The stock market has continued to broaden during the week with previous advances generally well maintained, and material gains recorded. The movement has substantial public backing and which confirms what has been said about the strong techincal position of the market. Stocks were well held and investors do not seem inclined to take small profits with the result that any evidence of strong buying demand is followed by a smart marking up of values. There seems to be a more general realization, too, of the prosperous business conditions prevailing, with heavy demand for practically all commodities at high prices, the majority of industrial companies being in a position to reap large profits as they have been putting away large reserves during the period of war activity. The atmosphere in labor circles, too, has cleared somewhat, and in Canada there is no immediate prospect of anything like extensive trouble in this direction. Conservative opinion still holds that many of the advances being made are not justified, but the bear is never popular in a bull market.

In the bond market business is pretty well sidetracked but there is some absorption of foreign offerings at attractive figures and considerable profit-taking on Government issues prior to re-investment in the new loan. Opinions as to the outcome of the latter are more optimistic, and a total of $500,000,000 is now being predicted. In the mines the situation is dull and the strong market for silver does not bring any broad response so far as stocks are concerned.

The American market, while not for the time being an important direct influence in the situation, must be regarded as a factor in the spirit of optimism prevailing. Also the general upward movement there indicates

Continued on page 5.

THE POST THIS WEEK CONTAINS

Little Evidence of Profiteering in Clothing Trade 2
Allies' Solvency Unquestioned if Help is Given 2
Ottawa Must Keep the "Pork Barrel" Closed 3
British Capital Derides Cession of West Indies 3
Canners' Charges Evidently Have Little Backing 4
Ogilvie Shows Smaller Profits by $322,000 5
St. Lawrence Flour Earns Sixteen Per Cent. 5
Merger Denied by Scotia Officials .. 6
Winnipeg Trams Win Fight for Six-Cent Fares 6
Manitoba Copper to be Developed by Hayden Stone 7
British Bankers Ask Government Action to Aid Exchanges 8
Make the Banks Light at Night 9
Extending the Bank's Service to the Farmers 9
Capital and Labor—the Problem of the Age 10
Provincial Credit Can Only be Used Once 12
'Peg Hydro System Shows Surplus Again 13
Plan to Prevent the Confiscation of Western Lots 13
Opinion Differ on Cash Payment of Fire Claims 14
Legislation for State Insurance Must Go Slowly 14
Stronger Market for Agricultural Lands in Canada 15
Mill Shipments Being Delayed by Steel Strike 16
Serious Railway Burden Beclouds Canada's Future 16

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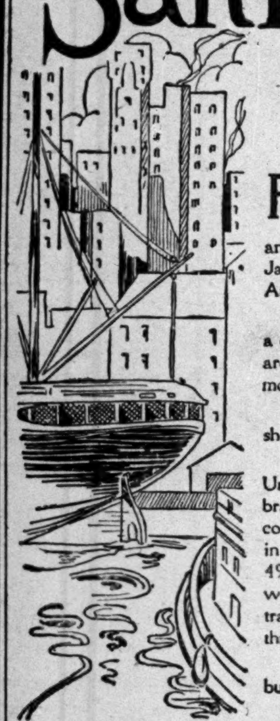

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ALLIES SOLVENCY IS UNQUESTIONED IF HELP IS GIVEN

Survey of European Conditions Points To Duty of America

BRITAIN'S HUGE DEBT

Taxes Will Take One-Fifth of People's Income — Conditions in France, Belgium and Italy

Optimism as to Europe's ability to rehabilitate itself financially and industrially is expressed in a survey of the economic conditions prevailing in Great Britain, France, Belgium and Italy prepared by the Guaranty Trust Company of New York. The duty of America, enriched by the war, to extend vast credits to all the European countries, leaving the question of profits to the future, is pointed out by the writer, Charles H. Sabin, who declares that although Europe's ability to re-establish its economic life cannot be questioned, it is imperative for the rest of the world to help to restore the war-shocked countries.

Dealing with Great Britain, it is pointed out that the gross debt of the country is now $36,746,650,056, of which only $3,569,100,000 is external. As there are advances to allies and Dominions of over eight and a half billions to offset the external obligations, Great Britain may be said to be carrying its entire war debt. The debt charges will take $1,751,600,000 annually or 30 per cent. of the revenue. The normal peace budget will be $3,727,356,000, estimated at nearly one-fifth the total income of the citizens of the country. After reviewing Great Britain's position in regard to its foreign trade, Mr. Sabin says:

"All in all, the outlook for industrial progress in England is favorable. The manufacturing capacity of the country has been greatly increased during the war. Even more notable have been the improvements in port and warehouse facilities. Ships are being turned out rapidly, and the British merchant marine still exceeds in tonnage that of any other nation.

Depends on People

"Much depends upon the spirit and temper of a people. Their record of achievements in industry and finance has amply demonstrated the capacity of the English for doing big things in a big way, and for meeting emergencies with the requisite energy and ability.

"In view of the advantages accruing from a century of progress in the realms of industry and finance, it may be expected that Great Britain will again recover from the effects of war no less quickly than it did a century ago." (The Napoleonic wars.)

France will not suffer as much as at first anticipated from the destruction of it coal field and iron and steel plants, because the rights they obtained in the Saar Valley and the return of Alsace-Lorraine will do much to offset their losses. Of France's power to recover, it is said:

"There are, of course, marked differences between the problems which confronted France in 1871 and those of today. But, if after an overwhelming defeat and the loss of an important portion of French territory the nation was able to recover so rapidly in the 70's, now heartened by victory and with productive equipment enlarged, it may be expected that recovery in the present period of reconstruction will be no less phenomenal than in the earlier period. France is in a favorable situation with reference to the expansion of the nation's trade with the Near East and the French colonies in particular. The fundamental economic situation appears to be on a sound basis. With some outside assistance in the form of capital and labor, there may be built up a great industrial nation—the New France, sharing in the expanding world trade on a scale commensurate with the country's resources and advantageous location."

Belgium and Italy

Belgium's industries were almost completely destroyed by the ravages of war, but reconstruction work has given everyone employment. It is in the character of the masses of the people and their well-known industrial capacity that Belgium's rehabilitation will be won, while the wealth of the nation is assured by the development of the Congo, the resources of which have not been thoroughly realized in the past.

The development of Hydro-Electric power in Italy during the war has done much to offset the short of coal in that country. One of the best promises for the balancing of Italian exchange is in the vast sums of money being sent home by Italian emigrants in foreign countries, especially north America, amouning before the war to about $170,000,000 a year, as against an adverse balance of trade of $230,000,000.

During the war the United States Government, at a cost of $70,000,000, built an entire town for the manufacture of powder, calling it Nitro, West Virginia. Recently the town was offered for sale by the Ordnance Department, and the largest bid received was $5,800,000.

EMPLOYMENT SITUATION

Conditions, Apart From Strikes, Continue to Improve

OTTAWA.—Reports from employers to the Dominion Headquarters of the Employment Service of Canada, Department of Labor, indicate that, apart from unemployment due to strikes, there was a further substantial increase in the volume of employment during the week ending September 20th.

The returns for the week ending Sept. 20th show that 4,313 firms reported to the Employment Service of Canada, of which 324 were in the Maritime Provinces, 1,972 in Ontario, 988 in Quebec, 603 in the Prairie Provinces and 426 in British Columbia. These firms reported a pay-roll of 636,305 persons during the week ending Sept. 20th, as compared with a pay-roll of 632,551 during the week ending Sept. 13th, an increase of 3,745 persons, or .6 per cent. An increase of 2,102 persons of .3 per cent. was anticipated for the week ending Sept. 27th.

PEOPLE MUST PRODUCE

American Economic Epert Points Out Why Prices are High

Decreased production arising primarily out of war conditions, and perpetuated by the slowness of European nations in returning to normal industrial conditions, and lessened efficiency of labor the world over, are the causes of the present high price level, according to Victor Morawetz, the American authority on banking, financial and corporation problems. In view of the industrial conference now in session at Washington, Mr. Morawetz has issued a warning against hasty or ill-considered legislation, which would reverse institutions that have been built up by years of slow progress.

Pleading for increased production, Mr. Morawetz said:

"In the long run the people in the aggregate cannot consume, or enjoy, or have more than the combined produce of their labor. No increase of money incomes and no reapportionment of the produce of labor can enable the people in the aggregate to consume and enjoy more than the aggregate amount of necessaries of life and luxuries that are produced by them, or that are imported from abroad in exchange for other things produced by them."

WEST WILL CONTINUE TO SHOW PROSPERITY

Imperial Bank President Says Business is Brisk on the Prairies

Though tracing a good deal of the apparent prosperity of Western Canada to the abundance of money received by the people from government sources, Peleg Howland, president of the Imperial Bank, who has just returned from an extended tour of the West, stated that he looked for a continuance of the prosperity in that part of the country. "I is hard to conceive that there will be any serious falling off in the prosperity of all the Northwest, while the crop yield and general production are so high," said Mr. Howland to the FINANCIAL POST.

"Business is very brisk throughout the West," said the Imperial Bank president, adding:

> Everybody is very active. There are many visitors in the country, and it is difficult to secure hotel accommodation. A good deal of this prosperity is due to the fact that the people are spending money they received in various ways from the Government; through loans to soldier farmers, gratuities, payments for lands taken over for the soldiers, etc.
>
> Farm lands are in good demand, and there have been increases in value noted. The market for city lots is less brisk, though the good building lots in the best locations have gone up.

880 LOCAL TRIBUNALS

England is Starting its "Profiteer Hunt"

LONDON. — Eight hundred and eighty local tribunals have been formed throughout England to hear complaints of excessive profit-taking. The machinery is just now being tuned up and no complaints of profiteering have yet been handed in.

Some towns have refused to avail themselves of their powers under the Act and have not formed tribunals, stating that there is no profiteering in their neighborhood.

When the case comes before the tribunal the customer will be required to establish his allegation. Then the committee can order the tradesman to refund what is considered to be the overcharge, and in a bad case can authorize a prosecution of the trader.

NATIONAL STEEL CAR

National Steer Car, about which optimistic reports are often heard, continues to remain around the lowly figure of 9 for common, although this is an improvement over the year's opening figure. When talk was plentiful regarding the plant selling to American Car, common went to 14, but since then there has been a gradual decrease. Preferred followed much the same direction, and at present is 34, with only a small sale being registered. As high as 59 was realized for some shares around the middle of March.

LITTLE EVIDENCE PROFITEERING IN CLOTHING TRADE

Increased Operating Costs Have Affected the "Overhead"

LABOR BOOSTS PRICES

No Chance For Material Cut in Prices While Wages Continue at Their Present High Level

By W. C. A. MOFFATT,
Editor, "Men's Wear Review."

The investigation into clothing prices by the Board of Commerce, has met little success in finding evidence of real "profiteering" among manufacturers or retailers. There has been talk from the investigating end of the organization about overhead expenses being high and it has had to be explained all over again that employees both in factory and store, as well as on the road, will not work today for anything like the wages they did three years ago, when the cost of a suit was lo win comparison to what it is to-day, that neither store nor factory can be lighted and heated at less than a considerable advance on the old figure, that there have been abnormal increases in rents and that taxes are double and more than double what they were a few yeads ago.

During the course of his evidence, C. B. Lowndes, of the Toronto manufacturing firm that bears his name, threw cold water on any suggestion of profiteering by declaring that during the five years of the war the firm's average net profit was three and a fifth per cent. He added that clothing would never again be obtained at the old prices. The day of the sweatshop was gone and returned soldiers were getting real money for the work that used to be done by Southern Europeans for from three to four dollars a week. The Lowndes Company, it was stated, tried to get a gross profit of twenty-five per cent. on the lower lines and twenty-nine per cent on the mediums. Better goods in "mediums" could be secured in Canada than in England. An effort was made by the Board to bring out an admission that the inability of retailers to have orders filled would tend to enhance prices, but as manufacturers' prices are fixed earlier another failure was here registered.

Ninety per cent. shortage of labor and ten per cent. shortage of material were responsible, it was shown, for present conditions, manufacturers being right up against it in the matter of securing adequate help.

In discussing the question of bonuses and salaries, Col. Price, in spite of the information given him that even extensive advertising failed to bring the required labor, expressed the opinion that salaries seemed pretty high. He also wondered if it was fair to the consumer to figure out percentage on every expense, adding: "Don't you think it is time to come down a little?" He apparently forgot that the whole thing comes down to gross profits and gross expenses, that a percentage has to be put on and that it would be impossible to put, say, a two-dollar profit on every suit.

"Wouldn't it be fair to everyone to base profits on the manufactured cost?" asked Col. Price, but he was promptly informed that instead of a percentage of twenty per cent. the retailer would have to make it forty per cent. It was not to be forgotten that if the public had to pay out more in dollars and cents now the manufacturers had to do the same. Only half as many suits are being sold now as in 1913. If as many were being sold, closer prices could be made. Manufacturers, it was pointed out, would be glad to sell at the same profit as in 1913 if the same volume of business was done.

A Surprise for Board

Something of a surprise was sprung on the Board when S. Hewgill, superintendent of the T. Eaton Company, produced a letter from English manufacturers of heavy overcoats protesting that the Toronto concern was selling their product at a profit of only $20 per garment. The firm had paid $57.62 for the garment, retailing it to one of the board's buyers at $77. In the letter the statement was made that there was no inention to dispute the privilege of marking goods as the firm saw fit, but it was difficult to realize that the merchandise should be sold "except on a fair-profit basis." On hearing that the firm in question had asked for an explanation, Col. Price expressed some surprise that they did not think $20 enough profit on an overcoat.

One thing, however, was made clear to the board, particularly by J. C. Coombes, of the Oak Hall stores, and that was that there is no prospect of an early reduction in prices. Low-priced materials, the board learned further, were hardly worth making up as they were poor in quality and the people would not buy them. Still another thing the board learned was that the public always got the benefit of increased volume of business as witness a difference of five per cent. in operating costs between a month in 1918 and a month in 1919, due entirely to increased volume of business.

According to Robinson Pirie, buyer for Sanford and Company, Canadian goods are superior now to what they were in 1913 but are 300 per cent. higher in price, while there has been an increase of 100 per cent. on cloth on the English market.

Prices Advanced for Spring

Prices are all advanced for next spring and there seems to be no prospect of returning to the old order of things, the board was told by Mr. Coombes who explained that his goods were marked as nearly as possible to value, a thirty per cent. profit being aimed at.

Operating expenses generally seemed to be too high, Col. Price remarked and was forthwith advised by the witness to get after the landlords as the rent was a factor in the overhead expenses.

Vigorous, almost frantic, attempts were made again by Col. Price to pin someone down to something in the matter of "operating costs and overhead" when Charles F. Fell, of the Hamilton Carhartt Cotton Mills, Limited, was on the stand, but at the close of a long, tortuous trail all the investigator could do was "guess that there is one dollar profit in every $1.74 overhead expenses charged against a dozen overalls."

Only Remedy in Sight

The remedy for existing conditions, to judge fairly from the evidence submitted to the board, is nothing more nor less than "more production." R. G. Long, of the Bob Long Manufacturing Company, impressed it upon the investigators that there is no money in overalls and that the Ottawa ruling compelling them to pay duty on advanced prices, no matter what the purchase price, had very nearly put them out of business. To reduce the price of overalls it would first be necessary to reduce the price of cloth.

MILLERS DID NOT ASK FOR INCREASE

No Foundation For Report of Request For Additional 30 Cents a Barrel

The statement appearing in the daily press that the millers had made a request for an additional 30 cents a barrel on the present price of flour at a recent meeting in Toronto, seems to have been cut out of whole cloth. The only ground for such a statement is that one or two milling officials did ask for compensation for the increased cost of bags that had become effective recently. The request was made by only a few representatives of the milling trade, the majority being quite satisfied with the present price and willing to absorb any minor charges that might arise, the thirty cent figure suggested was never mentioned at the meeting, and the whole discussion did not occupy over two minutes. The meeting dealt mainly with interpretations of the different milling regulations about which there has been some uncertainty, and the meeting was called mainly because James Stewart of Winnipeg, chairman of the Canada Wheat Board, happened to be in Toronto at the time. The impression that an effort was made by the millers as a whole to boost flour prices is entirely unwarranted.

Business at the present time is fairly satisfactory, the 800,000 barrel order placed some little time ago will be sufficient to keep at least some of the mills running at full capacity for some two to three weeks. After that time the future is somewhat problematical. Domestic business is good, but this source of demand alone would hardly mean a very brisk business for the mills, that have developed far beyond a merely domestic business. It is generally believed in milling circles, however, that some export business will be available in the future. The general estimate is that the orders will be on a pre-war basis. This, while it would assure a fairly continuous run for the mills, would mean that the mills would operate only at about half their capacity.

OIL FOR FUEL

NEW YORK.—Refiners expect a big demand this winter for fuel oil, and are consequently accumulating large stocks. There were 817,000,000 gallons of fuel oil on hand at refineries of the United States on July 31, compared with 788,000,000 gallons two months previously. Stocks of fuel oil on hand at Texas and Louisiana refineries have risen from 184,000,000 gallons on April 30 to 240,000,000 gallons on July 31. A large increase during the last month was recorded in shipments of Mexican oil to this country, which is taken as an added indication of a greater demand for fuel oil.

OTTAWA MUST KEEP "THE PORK BARREL" CLOSED

Situation Demands Careful Business-like Management

CASE OF RAILROADS

If Government is To Succeed as Operator of the Big Systems, Great Care Must Be Exercised

By Resident Representative.

OTTAWA.—What the curse of political patronage has cost the people of the North American continent in, say, the past fifty years, would probably pay our joint war bills. From the manner in which such expenditure is camouflaged, the instances which come to the light of day are comparatively few, but they have been sufficient to indicate that in Canada at least enormous sums have been misspent. As an instance, take this item recorded in the press despatches:

"Thomas H. Kelly, the contractor, has been ordered to pay back to the Government of Manitoba $1,207,351.65, the amount decided by the Board of Appraisal as having been received by him in over-payments in connection with the contract for the Manitoba Parliament Buildings."

Kelly, it may be recalled, went to jail, and the Manitoba Government was upset because of the discovery of this overpayment, but the amounts which thus come to light are small in comparison with those never revealed. His case, too, was more flagrant as his political masters were more bold than is usually the case, but it is certain that, in one way or another, enormous sums have been wasted by this evil of "patronage," which is merely a politer term than "the pork barrel."

The difficulty of doing away with the evil is somewhat the same as that in the mind of the witty Frenchman who replied to the friend who was arguing against capital punishment: "Let Messieurs the murderers begin it." In Canada, at least, both political parties have long recognized its evils, but its advantages as a political agency have also been very apparent, and neither party was willing to be the one to sacrifice its self interest to an abstract principle. So from the time of Confederation, now over fifty years ago, we have seen vast sums of the people's money wasted through the letting of contracts and appointments to office on partisan rather than buisness lines. It was going with a swing as far back as the time of the building of the Canadian Pacific Railway, when the exposure of what was known as the "Pacific scandal," involving the payment of large sums by railway contractors to political campaign funds, upset the Government of Sir John Macdonald.

Union Government's Record

On the formation of Union Government in Canada in 1917, forward-looking and honorable men of both parties felt that then was the time, if ever, to unite for the purpose of getting rid of this leech, constantly sucking at the body politic, and when union was consummated, it was agreed that, thereafter, all contracts and appointments should be let and made on purely non-partisan and business principles.

To a very large extent this agreement has been carried out. There have been isolated instances where ministers have made appointments and where contracts have been let under circumstances which have provoked some criticism, but they have been few, and the ministers concerned have usually been successful in defending their action. With the return of the men from overseas there has been a pressing demand both from individual soldiers and from their organizations for appointments, in which gratitude and patriotism were stronger factors than considerations of pure utility, but they have been prĕtty well resisted.

Now the question of reclassification of the Civil Service has come up in the House, and, on its discussion, plaintive appeals have been made by different members to restore to them the little brief authority with which the dispensation of patronage vested them. One member plaintively confessed that he could not get a corporal's guard at a political meeting because there was nothing for the party stalwarts "to look forward to except to get out and work hard at election time." Generally speaking, it was the members from Ontario who pleaded that patronage should come back, and those from the West who opposed the idea.

Keep Railroads Clean

The importance to the people of Canada of resisting such appeals is greater now than ever before. With the taking over of the Canadian Northern and Grand Trunk and Grand Trunk Pacific railway lines, Canada now has, or shortly will have, over sixty thousand railway employees to hire, promote, discharge, or otherwise deal with as a great business corporation would be required to do. The example of nearly fifty years' dealing with a government railroad, the Intercolonial has shown the impossibility of conducting a railroad on business principles and paying lines where politics may interfere. The regular deficits and other evils attendant on the management of that system have been very largely due to the large part which politics has always played in connection with it, and the evil would be many times greater if the same policy were to be adopted in the vast continental system which we have now undertaken to operate as a Government concern.

It is admitted that, even under the most favorable circumstances, Canada will have a hard and a long uphill pull to put two big transcontinental systems on a paying basis. It can only be done by the most expert business management, with every consideration but straight business policy eliminated. Same is true of all Canada's business. The burden of debt which these roads, together with her war expenditure, have thrust upon her is so enormous that the production of revenue and the curtailment of expenditure are tasks which will engage the best efforts of her ablest financial minds for a long time to come. Her credit is being closely watched by the world, and any action which may tend to impair it would be serious indeed.—T.M.F.

GREATER EFFORT IS NEEDED ALL ROUND

British Minister of Labor Talks To Workers and Their Employers

Until labor can be made to understand that in increasing production it is not alone benefiting someone else, but is benefiting itself by reducing commodity prices, the problems of output will not be solved, says Hon. J. R. Clynes, M.P., British Minister of Labor. Mr. Clynes states, though, that indolence on the part of workmen is not the chief cause of diminished output, and he calls on industrial leaders to produce greater results by sub-division, re-organization, improved transport, better timekeeping, and the employment of modern machinery and mechanical devices.

Mr. Clynes says:

"The ill-will created years before the war, as a result of refusals to concede anything except to pressure or to force, went far to create and to deepen the suspicion of workmen with regard to the designs of employers and capitalists.

"It will take some time to live that down, but workmen who now behave selfishly or thoughtlessly in their own sphere of productive work and show no interest in the general problem of output and production, or who diminish production by indifference or by deliberate failure to put in their full time with a reasonable and honorable measure of exertion, are inflicting the greatest damage upon their class and themselves."

BRITAIN'S FOREIGN TRADE

Adverse Balance Further Cut During August

British trade in August again showed some improvement and the adverse balance of trade of $76,000,000 that was noted in July was cut to £59,000,000 in August. Against this, of course, has to be put the earnings of the carrying trade, insurance and other services which do not show in the trade returns, but despite the improvement shown, the hugeness of the figure is an index to the seriousness of the situation.

Comparative figures of trade for August, 1918, and August, 1919, are as follows:

	August, 1919.	August, 1918.
Imports	£148,832,398	£110,179,501
Exports (British)	74,773,278	43,522,237
Re-exports	15,311,244	2,277,335
Total	£238,916,915	£155,979,073

HEAR APPEAL IN CANADA

American Publishers Want Evidence Taken in This Country

NEW YORK.—It is possible that a commission will be appointed by the State Circuit Court of Appeals to take evidence in Canada on the cost of producing newsprint. George W. Wickersham, representing American newspaper publishers, who are attempting to show that the present price of $3.75¼ per hundred pounds, effective by order of the federal trade commission since July, 1918, is too high, moved that evidence of the cost of production be taken in Canada. The court reserved its decision in the matter.

It was pointed out by Mr. Wickersham that in computing the cost of manufacturing newsprint in the United States, the federal trade commission had taken the figures of the Spanish River Pulp and Paper Mills, of Canada, and the International Paper Company, of the United States, and had struck the average of the two. It was contended by counsel for the publishers that evidence produced at the Canadian newsprint enquiry showed that the Spanish River's figures were not correct, and it was to determine the correct cost of producing paper in Canada that he wanted the evidence to be taken here.

BRITISH CAPITAL DERIDES CESSION OF WEST INDIES

Lord Rothermere's Plan To Pay American Debts is Ridiculed

CANADA'S POSITION

Suggestion Has Drawn Attention To West Indian Resources and Canada is Said To Be Looking That Way

LONDON, ENG.—Lord Rothermere's suggestion that certain of the West Indian Islands should be ceded to the United States in part liquidation of Great Britain's war debt to that country has failed to find approval among financial men in England, many of whom scathingly deride the author of a scheme that would put some of Britain's colonies under the control of the American people. The relations of Canada to the West Indies are mentioned by many critics of the scheme, and one financial man, who has made a study of the resources of the West Indies, says:

"There is another aspect of the question. In the not very distant future Canada will have a vastly greater population than she has to-day, and the Dominion will look to the British West Indies for supplies of tropical produce for her then teeming millions. This alone should be sufficient reason for not seriously entertaining any question of cession."

Colonies Very Wealthy

Lord Rothermere's plan involved the handing over of the Bermudas, the Bahamas, the Windward Islands and the Leeward Islands, but not Jamaica, Barbadoes or Trinidad, and he also suggested parting with British Honduras and British Guiana. His critics point out that the West India Islands mentioned are so wealthy in natural resources, that Great Britain is only a poor relation by comparison. Only capital is needed to develop them, and the statement is made that if British investors do not stop concentrating their investments in South America, Africa and other spots outside the British Empire, Canada will step in and develop British Guiana and the West India Islands to her own ultimate benefit. Of British Guiana's resources, Hon. E. W. Woolford, member of the Court of Policy of that colony, says:

"Is the noble lord aware that British Guiana is capable of supplying Great Britain with every grain of sugar she requires; with every foot of timber she requires, whether it is wanted for shipbuilding or other building purposes, construction of docks, wharves, etc., furniture-making, etc., with rum, rice, coffee, cocoa, cocoanuts, rubber, etc., to mention only a few of the variety of the products of the colony? Is he aware of the vast extent of the mineral resources of the colony—producing and exporting as it does gold, diamonds, bauxite, etc.? We also know that platinum, silver, copper, graphite, and all the other 'ites'—hematite, magnetite, scheelite, etc.—occur in the colony. We could raise and support an enormous number of cattle, sufficient to feed the population in all the other colonies mentioned by Lord Rothermere and all of the other neighboring colonies; but our colony remains a disgrace to British administration.

Another Niagara There

"Is Lord Rothermere aware that, in addition to an unknown number of waterfalls, the colony possesses one five times as high as Niagara, and that it is believed that the colony's water-power is capable of operating all the existing railways on the South American continent? How many Englishmen know even where British Guiana is? Why do they not take the trouble to find out and to discover—as they soon will—that it is the richest colony that Great Britain possesses?"

From another quarter comes the suggestion that Lord Rothermere would have been better advised to invest some of his surplus millions in the colonies he mentions, instead of asking the Government to cede them to the United States. Lord Rothermere, it might be mentioned in passing, is a brother of Lord Northcliffe, and has already had a small fortune invested in British possessions overseas, as he has a large interest in the Northcliffe pulp and paper mills in Newfoundland.

But while the suggestions have created a great deal of discussion, especially in the financial press, they are not taken seriously. Some good has come from them though, in that they directed attention to one of the wealthiest parts of the Empire, hitherto touched by only a small coterie of British capitalists.

GERMANY READY TO WORK

Sir John Aird Says Late Enemy Will Be Active

Germany is going to work as she never worked before; she is going to work for less money and she is going to work for Germany, said Sir John Aird, manager of the Dominion Bank, to the London correspondent of the Toronto "Globe." Sir John has just reached London from a tour of France, Belgium and Holland, and will leave for return to Canada on October 15.

AUSTRALIA SEEKS TRADE

New Commissioner to United States Has Been Appointed

VANCOUVER.—Hope that it will be possible to establish better trade relations between the United States and Australia despite the adverse condition of sterling exchange was expressed here Oct. 2 by Mark Sheldon, newly-appointed commissioner for Australia in the United States, who arrived yesterday en route to New York, where he will establish headquarters.

Mr. Sheldon said that Australia was at present exceptionally prosperous, living costs having remained comparatively lower than in other countries.

"Australian markets," he said, "are ready to absorb many American commodities and also are able to export a number of commodities to the United States.

"The wheat and wool supplies in the Commonwealth are large, three seasons' wheat having been stored. Shipping, however, is more plentiful now, and ample markets are being found in Europe. The British Government bought up the wool supply until the new clip is available." Labor conditions are good in Australia, Mr. Sheldon said, the "One Big Union" movement gaining no headway among the extremist elements.

"In referring to tariffs," said the Commissioner, "I may state that the policy of Australia is like that of the United States—namely, to protect those industries shown by the war to be essential."

GOLD STREAM HEADED FOR UNITED STATES

Influence May Be to Send Prices to Still Higher Levels

All streams of gold from South Africa, Australia and other gold producing regions are headed for the United States, according to the monthly circular issued to-day by the National City Bank, which says that the influence will be to raise prices higher and higher above the world markets until the trade balance is turned against us, illustrating nature's struggle to correct abnormal conditions and to restore the normal equilibrium. On the subject of gold movements the bank says:

"The total payments in gold of the German Government to the United States Food Administration have amounted to $158,000,000, part of which has reached London and the remainder is in Belgium and Holland. As fast as it reaches the Bank of England it is apportioned among the Federal Reserve banks and will swell their reserves. Incidentally we would remark again that it is not needed there and will be as dead as it was in the mine. It is a pity to take gold from Europe and from Germany when needed there so much to give confidence and stability as the basis of credits. Interest bearing securities would serve our purpose better. But this is merely one phase of the problem involved in our relations to Europe.

"Approximately $5,000,000 of South African gold has been reported as bought in London for America, but no arrival here has been reported. It is logical to expect a steady stream not only from South Africa but Australia and the other producing regions. London cables represent that even the gold producers of India are negotiating for the privilege of selling their product in the best market, which is the United States. The situation is not created by the needs of the United States, but by the great demands in other countries for means of payment in the United States. The gold producers will ship the metal to the United States and sell the exchange thus created in the markets of the world."

BEAVER BOARD COMBINE

Canadian and American Projects Plan to Unite

NEW YORK.—All companies manufacturing and selling Beaver Board, a wall board that has been manufactured since 1906, have been consolidated into Beaver Board Companies. These companies have manufacturing plants here and in Canada and maintain sales organizations at home and abroad.

Imbrie & Co., are offering part of a total authorized issue of $15,000,000 7 per cent. preferred stock of the new company. The company has no funded debt. Common stock has been authorized to amount to 500,000 shares, of no par value, of which 126,240 shares will be issued. Most of this amount is exchanged common stock of subsidiary companies and part is stock purchased by preferred shareholders, who had the right to subscribe to the common to the extent of one share of common at $15 for one share of preferred. What common stock remains of the 126,240 shares wil be offered publicly. Provision has been made for the issuance of $10,000,000 second preferred stock eventually, to be used for the purchase of additional properties. Earnings of the combined companies for the year ended June 30, 1919, showed $8 a share on 126,240 shares of common stock.

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A good banking connection is an essential to the success of the manufacturer or merchant.

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Conduct a General Investment Business

The
Ogilvie Flour Mills Company
Limited

BALANCE SHEET

For Year ending August 31st, 1919, presented to the Shareholders at the Eighteenth Annual Meeting, held at Montreal, Que., October 9th, 1919.

ASSETS

Cash	$2,226,123.62
Accounts and bills receivable, after making provision for bad and doubtful debts	1,700,081.70
Stocks on hand of wheat, flour, oatmeal, coarse grains, bags and barrels	638,269.02
Dominion of Canada War Loans and other investments	5,780,568.06
Total active assets	$10,345,042.40
Investment for pension fund	253,501.00
Real estate, water powers and mill plants in Montreal, Fort William, Winnipeg and Medicine Hat; elevators in Manitoba, Saskatchewan and Alberta; property in St. John, N.B., and Ottawa; stable plant and office equipment	5,812,695.84
Goodwill, trade marks, patent rights, etc.	1.00
	$16,411,240.24

Approved on behalf of the Board.
C. R. HOSMER
H. S. HOLT
Directors

LIABILITIES

Accounts payable (including provision for war taxes to date)				$2,445,786.08
Provision for bond interest and dividends to date				520,250.00
Total current liabilities				$2,966,036.08
Officers' pension fund				350,687.52
First mortgage bonds				2,350,000.00
Capital stock—preferred			$2,000,000.00	
Capital stock—common			2,500,000.00	
Rest account			2,500,000.00	
Contingent account			2,500,000.00	
Profit and Loss Account—				
Amount at credit 31 Aug., 1918		$1,330,592.61		
Less transferred to contingent account		903,592.55		
		$ 427,000.06		
Profits for the year after payment of bond interest and after making provision for war tax:—				
Flour mill. prof.	$649,777.73			
Prof. from other sources and invest. inc.	982,738.85			
	$1,632,516.58			
Less—Dividends on preferred & com. stcks.	815,000.00			
		817,516.58		
			1,244,516.64	
				$10,744,516.64
				$16,411,240.24

To The Shareholders:—

We have audited the books of The Ogilvie Flour Mills Company, Limited, at Montreal, Fort William, Winnipeg, and Medicine Hat for the year ending 31st August, 1919, and have obtained all the information and explanations we have required; and we certify that, in our opinion, the above Balance Sheet is properly drawn up so as to exhibit a true and correct view of the state of the Company's affairs according to the best of our information and the explanations given to us and as shown by the books of the Company.

CREAK, CUSHING & HODGSON,
Chartered Accountants

In his remarks to the shareholders, Mr. W. A. Black, vice-president and managing director, called attention to the fact that the profits for the year under review were less than those of the previous year by $322,898.26.

The capital of the shareholders invested in the business at the commencement of the year was $9,926,999.06, so that the profits of $1,632,516.58 represent 16.4% on the capital, not including the bonds. If the bonds were included as capital the percentage earned would be 13.3%. It will be noted from the Balance Sheet that the shareholders' invested capital at the close of the year amounted to $10,744,516.64.

Mr. Black also stated: "As a result of the Armistice there was a material reduction in the volume of business in all departments. There was also a slight reduction in the percentage of profits on the turnover which were a little under 2% as against being a little over that figure last year. This must be admitted as being a very small margin and would not make a reasonable return but for the large volume of business.

"The outlook now is for an early return to the sharp competition for export business which existed prior to the war. Duties on flour imports, which were removed in some countries during the war, are being put on again, with the idea of encouraging and stimulating manufacture at home to provide work for their people, and securing the wheat offals which are necessary for dairy and general live stock feeding. It is most essential, however, that our own farmers and dairymen be supplied with the necessary feed for their live stock, and the Government may yet find it necessary to take steps to assist the mills in retaining a large export trade in flour if the dairying and stock interest is to continue at least on its present basis."

CANNERS' CHARGES EVIDENTLY HAVE LITTLE BACKING

Not the First Time Such Statements Have Been Made

EFFECT ON PUBLIC

Unfortunately Denials of Such Reports Are Seldom Given Same Publicity as the Charges

By J. L. RUTLEDGE,
Editor, "Canadian Grocer."

The forthright way in which D. D. McKenzie, Liberal leader in the House, set about the task of disposing of the Dominion Canners and all their ways and works, had the effect of being rather too thorough. It left nothing to the imagination. The company was charged with shipping pork and beans of poor quality, with the pork very frequently omitted, that the cans were of poor quality, and in many case poisonous, that there were pebbles in the tins, that would total carloads in the millions of canned goods sent to the front. Mr. McKenzie demanded an order on the company to produce certain papers that might be used to substantiate these charge.

On the face of things it would seem that the heated denunciation might have been postponed until the evidence was actually available, and there is a tendency to feel that the use of a privilege of the House to make such a charge against a company, who was unable to reply, was, to say the least, unwarranted. The Dominion Canners in making a statement bearing on the charges, make two strong points: That there were four careful inspections on these goods before they were received by the purchaser. Inspectors were always on hand to inspect the goods and to watch the course of process. In the evening cans were picked at random from the day's pack and sent to Montreal for chemical analysis. It would appear that any commodity that could pass these tests successfully could hardly justify the charges laid by Mr. McKenzie.

Not First Time

Furthermore, the Dominion Canners point out, that some two years ago somewhat similar charges were made on a somewhat similar hearsay basis. At that time the company had large sums of money owing to them by the British Government. Had the goods not been up to the contract requirements it would have been very simple for the British Government to make deductions from the amount owing to cover any failure. As a matter of fact, however, after a thorough investigation the British Government paid, without any suggestion of rebate or deduction, a pretty fair indication that they did not feel that the company had failed to live up to the contract in the quality of their goods. The Hon. C. J. Doherty, in speaking on the question in the House, stated that some correspondence had been received from the British Government regarding their contract with the Dominion Canners; this correspondence, however, was not questioning the quality of the goods, but was asking an assurance of the completion of the contract—another evidence that the British Government was satisfied with the way the goods were arriving.

Statement by Mr. Lalor

R. F. Lalor, M.P., who is one of the directors of the Dominion Canners, in discussing the matter with THE FINANCIAL POST, stated that the whole story arose as a result of spite on the part of certain individuals who were endeavoring to injure the company, and particularly the Simcoe plant. There was no truth in the charges as made, and he expected to bring the matter up in the House for the purpose of making an explanation if he could secure an opportunity to do so. With regard to the evidence which Mr. McKenzie had presented in support of his allegations, he said that affidavits had already been secured from those who had been quoted as evidence, proving that the stories were untrue. In the case of agricultural products, such as peas and beans, gathered and shipped under urgent conditions, it was impossible to prevent an occasional particle of perfectly clean foreign matter, such as minute pebbles, occasionally getting mixed in with the content of the can; but that always happened, in spite of every effort to prevent it. But to assert that this occurred in anything excepting small quantities and in rare instances was absolutely untrue. All the goods concerned were inspected by officials appointed by the War Purchasing Commission, who opened cans at random, and if there had been such conditions as were reported, the goods would never have got past them.

Effect on Public

As the matter now stands, the Dominion Canners seem to have all the best of the argument, in reply to charges, but flimsily supported. They have advanced circumstantial evidence, that, as far as such evidence can, would seem to refute the charges made. Such statements, however ill founded, are bound to leave a very bad impression. That is their main danger. People who scarcely know the nature of the charge, and who make no effort to decide its correctness, will condemn the company on this evidence. Unquestionably the only course in the face of such serious allegations is a full and open enquiry. It seems hardly likely that the company has anything to lose by such an enquiry. It is too much to suppose that a company of the size of the Dominion Canners would be so blind to their own interests, as to adopt the methods of petty thievery and malpractice charged against them. The fact that they have been making a systematic bid for British business throughout the war years, and that this business has been successful beyond the most optimistic expectations, would seem in itself to be an indication that the soldiers from France have not returned with any feeling of antagonism toward the company's products.

Mr. McKenzie in calling for the production of papers dealing with the matter has probably adopted the simplest and most expeditious method of refuting his own charges.

SHAWINIGAN GETS ORDER 30,000 H.P.

International Paper Co. Closes a Long-Term Agreement —Ready in a Year

By Resident Representative.

MONTREAL. — The Shawinigan Water and Power Company has closed an agreement with the International Paper Company for the supply of 30,000 horse power for the new paper mill that has been started at Three Rivers. The initial supply will be about 20,000 h.p., which will be gradually increased. THE FINANCIAL POST is informed that the Shawinigan Company will be able to generate this power without the construction of any additional units. This will bring the total production to about 200,000 h.p. The paper company will be ready for the power in about a year. This announcement raised the stock to 124 on Thursday, but it eased off a little in the afternoon.

UNITED INNS STOCK ISSUE

Hundred Thousand Dollars Being Offered to the Public

There will be an immediate issue of ten thousand shares of a par value of $100 each, of the $1,000,000 authorized capital of the United Inns of Canada, it is announced by T. C. Kirby, of Montreal, organizer of the new company. Subscriptions are now being received. The company is backed by a strong and influential circle of Montreal business men, who plan to erect a chain of inns throughout Canada, commencing first in Quebec and later extending across the country.

The first inn to be established is the old Chateau St. Louis property on the St. Louis Lake Shore, within thirty minutes' drive of Montreal. The Lake Shore Inn will be taken over immediately, and later inns will be established at Val Morin in the Laurentians, between Montreal and Quebec and Montreal and Ottawa.

Further stock will be issued as capital for development work is required.

PORTO RICO

The Porto Rico Railways Company reports gross earnings for the month of August amounting to $95,861, an increase of $2,916, or 3.13 per cent., over the figures for the same month in 1918. Net earnings amounted to $41,335, an increase of $18,987, or 84.51 per cent. Gross for the eight months ending with August totalled $750,327, an increase of $63,379, or 9.22 per cent., while the net at $285,424, compared with $293,713, a decrease of $8,288, or 2.82 per cent.

BRAZILIAN TRACTION

An issue of $7,500,000 three-year 6 per cent. secured gold notes of the Brazilian Traction, Light & Power Co. is being offered by William A. Read & Co., New York, at 97½ and interest. The proceeds will be used to refund an issue of similar amount due November 1. The maturing notes were placed in New York three years ago. The new issue is a direct obligation of the company, and constitutes its only funded debt, according to the bankers selling the issue. They are secured by deposit with a trustee of about $15,000,000 first and general mortgage bonds of subsidiary companies. The notes are part of an authorized issue of $10,000,000, and come ahead of $10,000,000 cumulative 6 per cent. preferred stock and $106,515,500 of common stock.

The Walter Walton Co., Limited
Insurance Specialists, serving as Brokers for the Insured
Montreal, 310 Coristine Building
New York City, 55 John Street

Messrs. Hanson Bros.

have pleasure in announcing that Lieut.-Col. E. Gerald Hanson, D.S.O., and Major W. G. Hanson, M.C., have been admitted as partners in this firm.

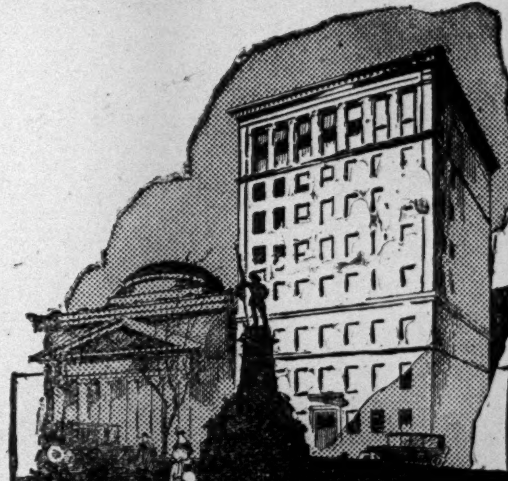
The business will be continued as before, under the name of Hanson Bros.

160 St. James St. Montreal

THE FINISHING STROKE OF CANADA'S WAR ACHIEVEMENT IS THE
1919 VICTORY LOAN

It obligates you personally to the extent of your ability to subscribe. The interest yield and the security remove every element of uncertainty as to its investment value, and only by subscribing to our utmost, and seeing that each and every Canadian does likewise, may we discharge our responsibility to the Dominion of Canada.

CANADA BOND
CORPORATION LIMITED
TORONTO



Head Office : Montreal

HAVE YOU MADE A WILL?

Do you realize that if you do not dispose of your property by will, your estate may be disposed of very differently from the way you would wish?

Unless a will is made, the law can take no account of the special personal needs of any heir.

When you make your will, why not ensure efficient and economical management by appointing The Royal Trust Company as executors and trustees?

This Company will scrupulously guard the interests of your heirs, and will give your estate the benefit of experience gained in the management of many estates, both of large and only moderate size.

THE ROYAL TRUST CO
EXECUTORS AND TRUSTEES

SIR VINCENT MEREDITH, Bart - - - *President*
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HEAD OFFICE: MONTREAL

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BRANCHES

CALGARY, VICTORIA, QUEBEC
EDMONTON, WINNIPEG, ST. JOHN, N.B.
TORONTO, HAMILTON, HALIFAX
VANCOUVER, OTTAWA, ST. JOHN'S, NFLD.

T62

ALGONQUIN PARK

The autumn months are delightful in Algonquin Park. The "Highland Inn," situated on the shores of Cache Lake, offers splendid accommodation at reasonable rates. Owned and operated by the Grand Trunk Railway. Altitude, 2,000 feet above sea level. Just the place for rest, recreation and recuperation. The Inn will be open for the reception of guests all winter. For rates and all information, apply to N. T. Clarke, manager, Algonquin Park Station, Ontario.

DIVIDEND NOTICE

Dominion Textile Co., Limited

NOTICE OF DIVIDEND

A DIVIDEND of one and three-quarters per cent. (1¾%) on the Preferred Stock of the DOMINION TEXTILE COMPANY, LIMITED, has been declared for the quarter ending 30th SEPTEMBER, 1919, payable OCTOBER 16th to shareholders of record SEPTEMBER 30th, 1919.

By Order of the Board.
JAS. H. WEBB,
Secretary-Treasurer.
Montreal, 22nd September, 1919.

DIVIDEND NOTICE

The Merchants Bank of Canada

QUARTERLY DIVIDEND.

NOTICE is hereby given that a dividend of Three Per Cent. for the current quarter, being at the rate of Twelve Per Cent. per annum, upon the Paid-up Capital Stock of this Institution, has been declared, and will be payable at its Banking House in this city and at its Branches, on and after the 1st day of November next, to shareholders of record at the close of business on the 15th day of October.

By Order of the Board.
D. C. MACAROW,
General Manager.
Montreal, 30th September, 1919.

Canada's Final Victory Loan

Not only is the money urgently needed to carry on the very important work of reconstruction, but also we strongly recommend heavy purchase of the new loan because, doubtless, it will be the last opportunity to secure at moderate cost a government bond yielding 5½%

Ryan, Grier & Hastings
Members Montreal Stock Exchange
30 Hospital St. MONTREAL
53 Melinda St. TORONTO

Business Books

Here are a few of the books for busines men to be found in our business men's department.

Cost Accounting and Burden Application, Scovill, $2.25.

Principles of Salesmanship, Whitehead, $3.00.

Individual and Corporation Mortgages, William Lilly, $1.25.

Effective Business Letters, Gardiner, $2.00.

The Young Man Entering Business (special full limp morocco), Marden, $1.50.

The Efficient Secretary, Spencer, $1.00.

Exporting to Latin America (565 pp.), Ernst B. Filsinger, $3.25; by mail, $3.40.

Principles of Factory Cost Keeping, by E. P. Moxey, price, $1.00.

Principles of Depreciation, by Earl A. Saliers, price, $3.00.

Unified Accounting Methods for Industrials, by Clinton E. Woods, price, $5.00.

Cost Accounting, by Major J. Lee Nicholson, C.P.A., price, $6.00.

Business Finance, by William H. Lough, price, $4.00.

Write for these, or for others mentioned in our folder "Books for Better Business." When possible visit our business book department. You will see there many books of value to you.

McAinsh & Co., Limited
4-12 College Street, Toronto
The book house for business builders

W. Ross Alger & Co.
Investment Bankers
Private wire service to principal cities in Canada and United States.
We specialize in Western Bond Issues.
EDMONTON - ALBERTA

"The Atlantic Leader"
HALIFAX

One of the brightest illustrated week-end papers in Canada.

A new venture for the Maritime Provinces which has proven immensely popular.

No advertising campaign complete without it.

See it is included in your fall and winter appropriation.

Full particulars from your advertising agency, or direct

The Atlantic Leader
HALIFAX

B. C. PACKERS

Interest continues in the stock of the British Columbia Packing Association, the common stock of the company selling briskly during the week at a range from 62 to 63½, which is about on a par with prices of recent date. The satisfactory condition of the bulk of the pack, and the strong market, are factors that assure the company a sucessful year, and consequently justify an interest in the stock.

OGILVIE SHOWS SMALLER PROFITS BY $322,000

Earnings of $1,632,000 is Barely 2% on the Turnover

16% ON INVESTMENT..

Or 13%, Including Bonds—Substantial on Common Alone—Plea for Milling More Wheat in Canada

The annual report of the Ogilvie Flour Mills Company, Limited, as presented to the shareholders on Thursday afternoon, fell below last year's record in a decline in profits from $1,955,414 to $1,632,516, or $322,898. In this decrease a portion was due to smaller milling profits, $649,777 compared with $832,910, and also a drop in revenue from other sources, from $1,222,504 to $982,738.

Taking the capital of the shareholders actually invested in the business at the first of the year, $9,926,999, the profits represent 16.4 per cent., while with bonds included the percentage drops to 13.3. From the technical viewpoint of the comparatively small capitalization of $2,500,000, in view of the huge turnover, the percentage available for the common shareholders works out at 57.7, or a decline of over 15 per cent., as compared with last year's figure.

From the standpoint of turnover, the ordinary business method of figuring profits, these actually fell below 2 per cent., as compared with a little over 2 per cent. last year. As the vice-president and general manager, W. A. Black, pointed out in his report to the shareholders, as a result of the armistice, there was a material reduction in the volume of business in all departments.

In his report he urged an important point on the Government—that in the interests of Canadian dairy and livestock feeding that the Government should take steps "to assist the mills in retaining a large export trade in flour," instead of so much wheat being exported for other countries to turn into flour and feed.

The comparison of profit and loss account for the past three years is as follows:

Profits for year	1919	1918	1917
Flour milling	$ 669,777	$ 832,910	$ 721,038
Other sources	982,738	1,222,504	637,809
	$1,632,516	$1,955,414	$1,358,847
Ded. pref. div.	140,000	140,000	140,000
	$1,492,516	$1,815,414	$1,218,847
Dev. com. div.	675,000	675,000	625,000
Surp. for year	$ 817,516	$1,140,414	$ 593,847
Amt. at credit end last fiscal yr.	$1,330,592	$1,440,178	$ 846,331
Less trans. to Cont. Acct.	903,592	1,250,000	......
Bal.	$ 427,000	$ 190,178	$ 846,331
Ttl. surp. forw.	$1,244,516	$1,330,592	$1,440,178

The working capital shows a substantial increase and has now reached the very satisfactory figure of $7,379,006, or more than double that of two years ago.

Working Capital

Cur. Assets—	1919	1918	1917
Cash	$ 2,226,123	$ 1,078,472	$ 259,072
Accs. and bills rec.	1,700,082	1,501,826	2,285,145
Stocks, etc.	638,269	1,462,916	2,637,010
Invts.	5,780,568	6,575,149	1,148,084
	$10,345,042	$10,618,364	$6,329,311
Current liabilities—			
Accs. pay., tax, etc.	$ 2,445,786	$ 3,633,615	$2,171,961
Bond int. and div.	520,250	520,250	507,750
	$ 2,966,036	$ 3,953,868	$2,679,711
Bal. work. cap.	$ 7,379,006	$ 6,664,499	$3,648,600

One change in the board was made, R. R. Dobell of Winnipeg being appointed to the vacancy caused by the death of Mr. George Drummond.

BRAZILIAN TRACTION

Gross earnings of the Brazilian Traction, Light and Power Company for the month of August totalled 9,734,000 milreis, as compared with 9,491,000 milreis for the same month in 1918, an increase of 243,000 milreis. Operating expenses of 4,849,000 milreis left net earnings of 4,885,000 milreis, as compared with 5,210,000 milreis in 1918, a decrease of 325,000 milreis. This is the first monthly decrease shown in net this year, as will be noted from the following comparative figures:

	Milreis.		
1919.	Gross.	Net.	Net Inc.
January	8,522,000	4,283,000	587,000
February	7,972,000	3,864,000	299,000
March	9,330,000	5,013,000	1,088,000
April	9,208,000	5,096,000	1,088,000
May	9,562,000	5,217,000	575,000
June	9,369,000	4,877,000	. 94,000
July	10,070,000	5,389,000	326,000
August	9,734,000	4,885,000	x325,000

xDecrease.

The aggregate gross earnings for the eight months ending with August were 73,767,000 milreis, an increase of 5,118,000 milreis, while the aggregate net at 38,624,000 milreis showed an increase of 3,649,000 milreis.

RUSSELL MOTOR

Russell Motor common was one of the stocks which made big gains this week on small business. Starting at 85 or about five points above the last previous in August, further gains were made to 90

CANADA BREAD'S ACTIVITY

Amalgamation Rumors Accompany Stock Movement

There was continued activity in the common stock of the Canada Bread Company during the week, large sales being made at prices ranging from 24 to 27½ for the common. All manner of rumors are afloat as to the cause of this unexpected activity that has prevailed now for five weeks for a gain of from about six to eight points. The rumors suggest an amalgamation of several Toronto bread companies, or the co-operation of one of the larger milling companies with the Canada Bread Company. As far as can be learned, these are only guesses and have no evidence to support them. The real reason appears to be that some interests controlling large holdings are endeavoring to gain control of more stock, for what reason no one apparently knows.

ST. LAWRENCE FLOUR EARNS SIXTEEN P.C.

Profits Less Than Last Year, But Dividends Are Maintained

The past year's operations of the St. Lawrence Flour Mills Company, Ltd., did not earn profits as high as last year's record amount, but as the earnings were 16 per cent., dividends on the common, 10 per cent., and the balance after all disbursements were made, $71,109, shareholders have little cause to complain. Profits for the year ending August 31 were $245,594, compared with $267,737 a year ago and $171,071 in 1917. After payment of bond interest and preferred dividends there was available for distribution, $191,109. Ten per cent. was paid on the common stock, reducing the surplus to $71,109. Last year it was $112,998, and in 1917, $87,040.

There is at the credit of profit and loss account a balance of $322,263, including this year's surplus. The balance sheet also reveals a strengthening of the company's position in regard to working capital as current assets exceed current liabilities by $517,888, compared with $456,000 last year. There is an increase of cash in hand and in bank of $76,000, but this is to some extent offset by the decrease in investments amounting to almost $100,000.

St. Lawrence Flour common is now selling at around 122, a rise of 34½ points from the low of the year, reached in February. In four months the stock has risen thirty points.

THE MOVEMENT BROADENS AND PRICES MOVE UP

Continued from page 1.

public confidence in an industrial situation which is in many respects similar to that prevailing in this country. The steel strike is now regarded as even less of a favor than before and it was never at any time taken with much seriousness in Wall Street to judge from the action of the ticker.

However, in regard to the American market, as well as in relation to that in Canada, conservative opinion is inclined to believe that the public optimism in the present situation is not warranted by what lies ahead. In fact the "tip" of such houses as Hayden, Stone & Co., is to sell rather than to buy as indicated by the following opinion:

> We frankly feel that the present marks such a time. Not that we are in any sense discouraged over the future outlook but it seems to us that the favorable features have now been quite fully discounted. Before there is a renewal of stock advance, there should be more positive favorable developments. Especially is this true of foreign exchange.

CHANGES DURING THE WEEK

	Last Oct. 2	Sale Oct. 9	Change
Ames-Holden, com.	86½	100	+13½
Do., pref.	109¾	111	+ 1¼
F. N. Burt, com.	100	112	+12
Do., pref.	100	108	+ 8
Can. Bread, com.	25¼	25	— ¼
Can. Cottons, pref.	83	81½	— 1½
Can. Loco., com.	93	103½	+10½
Can. Gen. Elec., com.	110	108½	+ 1½
Carr. Factories, com.	*16	28	+12
Cons. Smelters	31½	31	— ½
Dom. Canners, pref.	85	90	+ 5
Dom. Glass, com.	63¾	66¾	+ 3½
Dom. Textile, com.	123	121½	— 1½
Do., pref.	*106	103	— 3
Lake of Woods, com.	215	212	— 3
Do., pref.	*108	110	+ 2
Lyall Cons.	95	130	+35
Maple Leaf Mill., com.	199	196½	— 2½
Do., pref.	106	104½	— 1½
Nat. Steel Car, pref.	44	33	—11
N.S. Steel, com.	*75	78	+ 3
Ont. Steel Prod., com.	36	39	+ 3
Penmans, com.	106	109½	+ 3½
Wm. Rogers, pref.	*85	94	+ 9
Russell Motor, com.	*79⅞	88	+ 8⅛
Saw.-Massey, pref.	59	55	— 4
Steel of Can., pref.	98½	100	+ 1½
St. Law. Flour	117	119	+ 2
Tucket Tob., com.	54	49⅛	— 4⅞
Carr. Factories, pref.	*50	67	+17
Brazilian	51	54	+ 3
Can. Steamships, com.	63½	65	+ 1½
Consumers' Gas	143	140	— 3
Abitibi Paper, com.	114	135	+21
Brompton Pulp	65½	70½	+ 5
H. Smith Paper, com.	101	109	+ 8
Span. River Paper, c.	54⅝	57	+ 2⅝
Do., pref.	114½	113	— 1½
Toronto Paper	88½	92¼	+ 3¾
Wayagamack	66¾	70	+ 3¼

*Last previous sale.

ATTACKING TRAMS A WAY TO GET VOTES

Cheap Politics One Cause of Troubles of Privately Owned Utilities

The burdens under which electric traction lines all over the continent are laboring to-day came in for discussion at the convention of the American Electric Railway Association, which was held at Atlantic City this week. Job Hedges, receiver of the New York Railways Company, hinted that all surface traffic in New York city might cease entirely within the next three months, owing to the lack of a financial reserve, and he and other speakers declared that the prolonging of the five-cent fare had driven many roads to virtual bankruptcy.

"To attack the traction lines is a cheap way to get votes for a dishonest proposition," said Mr. Hedges, blaming this style of "cheap politics" and the ignorance of the public as to the real facts concerning the electric lines for the troubles they are facing to-day.

Luke C. Bradey, of Houston, said that the life of the electric traction industry is at stake to-day. It had been a victim of misunderstanding and popular misinterpretation of its real condition.

"Excessive wages and inefficient labor are two of the serious burdens on electric lines," said John Pardee, president of the association. Strikes on well-regulated utilities were not so much a blow at capital as at the general public, who derived services from the utilities.

W.. G. & R. COMPANY IN STRONG POSITION

Rumors of Amalgamation With Montreal Concern Lack Soundness

A despatch from Montreal, dealing with the advance in Tooke Bros.' common stock, last week, spoke of rumors of an amalgamation, and mentioned the name of The Williams, Greene & Rome Company, of Kitchener. THE FINANCIAL POST learns that this action is not contemplated in the least by the Kitchener company. The stock of the Williams, Greene & Rome Company has for years been very closely held. During the war period the directors adopted the policy of keeping their money in reserve to make absolutely sure of the large surplus of materials necessary on such a rising market. Now stocks of materials are in such a satisfactory shape that the directors have felt they might wisely pay the preferred dividends up to date. It is understood that a dividend on the common will also be paid this year.

The output of the plant has been greatly increased over any previous year, and this in all departments. In view of such a happy position—in view also of the increasing value, through advertising and general appreciation of some patents, the W. G. & R. officials are not likely to give any thought to amalgamation or merger.

CARRIAGE FACTORIES

After being dormant for months, Carriage Factories common became one of the most active stocks in the trading this week with an advance from 17 to 28, while the preferred went up from 55 to 67. The company's year now ends on July 31, but no statement has yet been issued for the past twelve months. The balance sheet for eight months ended Julw 31, 1918, shows profit, after depreciation and bond interest, of $25,566. The surplus stood at the end of that period $281,004, and the bond indebtedness at $465,500. The capital stock issued is $1,200,800 preferred and $1,200,000 common. During the eight months' period an item of $55,776 for goodwill in connection with the Atmey Company was written off, while a new appraisal added $422,321 to the fixed assets. Current assets were given as $2,257,770, while current liabilities were $1,443,829. The company, as is well known, is a consolidation of a number of carriage and harness companies in Ontario and Quebec.

AMES REACHES PAR

Remarkable Advance of the Common Stock

By Resident Representative.

MONTREAL. — The Street continues to be puzzled over the performance of Ames common, which, on Thursday, crossed par, a gain of some 13 points for the week. This is a remarkable condition for a stock which has a preferred ahead of it with five years' dividends owing, and which itself is selling little more than 10 points higher. Taking off the arrears it is really 25 points below the common. There is the oft-repeated talk of the rubber business, tires and footwear, that will be very profitable in the near future, and in the background looms up now and then the U. S. Rubber Company.

CANADIAN LOCOMOTIVE

End of Strike and New Orders Factors In Advance

There has been a strong movement in Canadian Locomotive common this week, with the top at 105¾. There have been a number of reports accompanying the rise which are condensed by a director who mentions three factors. The settlement of the strike of the workers on terms satisfactory to the company has probably been the most important; this strike was never a serious matter from the company's standpoint because it came at a slack time. Then there have been important orders recently received which should be handled on a profitable basis. Further, the very favorable annual statement can only be regarded as a bull influence.

BRAZILIAN TRACTION

Brazilian Traction was generally strong throughout the week, the high price of 56 being the best which has prevailed since the end of August.

UNLISTED SECURITIES

	Bid.	Ask.
Alta.-Pac. Grain, pref.	88.00	93.00
American Sales Bk., pref.	.....	76.00
Belding Paul, com.	40.50	45.00
Do., pref.	89.00	93.50
Brand.-Henderson 6's	.....	100.50
Can. Consolid. Felt, c.	25.00	30.50
C. Crocker Wheeler, p.	.....	87.50
Can. Machinery, c.	30.00	35.00
Can. Mortgage	67.50	70.50
Carter-Crume, c.	12.50	.....
Col. Ship Building 6's	86.00	90.00
Wm. Davies 6's	99.00	102.00
D. Iron and S. 5's, 1939	77.00	82.50
Dom. Power, p.	92.50	97.50
Dunlop Tire, p.	93.00	96.00
Eastern Car 6's	91.50	94.00
Harris Abattoir 6's	97.50	99.50
Home Bank	94.00	97.00
International Milling, p.	88.50	.....
Loew's, Montreal, p., xd.	73.00	81.00
Mexican N. Power, 5's	12.00	15.00
National Brick, com.	13.00	.....
S. Can. Power, c.	23.00	25.00
Sterling Coal, com.	17.00	20.00
Tor. Paper, 6's	86.50	95.00
Tor. Power, 5's, 1924	87.50	91.00
U. Cigar Stores, com.	.50	.....
Do., pref.	1.50	.....
Western Grocers, c.	33.00	36.50
Black Lake, com.	6.00	.....
Do., pref.	16.00	.....
N. Amer. Pulp	4⅝	4⅞
Steel & Radiation, com.	15	20
Do., pref.	.....	65

DIVIDENDS

Loew's, Mont'l, pf.	Oct. 15	1¾	Sept. 30
H. Smith Paper	Oct. 15	1¾	Oct. 10
Laurentide Power	Oct. 15	1	Oct. 13
Dom. Textile, pfd.	Oct. 15	1¾	Sept. 30
Tuckett Tob., pfd.	Oct. 15	1¾	Sept. 30
Mont. Telegraph	Oct. 15	2+¼	Sept. 30
Soo Line, com.	Oct. 15	3½	Sept. 19
Do., pref.	Oct. 15	3½	Sept. 19
Bell Telephone, c.	Oct. 15	2	Sept. 30
Asbestos Corp., c.	Oct. 15	1¼	Oct. 1
Do., pref.	Oct 15.	1½	Oct. 1
N.S. Steel, com.	Oct. 15	1¼	Sept. 30
Do., pref.	Oct. 15	2	Sept. 30
Guar. of N. Amer.	Oct. 15	3+5	Sept. 30
Loew's, Toronto	Oct. 15	1¾	Sept. 30
West. Grocers, pfd.	Oct. 15	1¾	Sept. 30
Dominion Park	Oct. 15	6	Oct. 10
Can. Explosives, pf.	Oct. 15	1¾	Sept. 30
Can. Cement	Oct. 16	1½	Sept. 30
Am. Cyanamid, pfd.	Oct. 17	6	Oct. 7
Maple Leaf, com.	Oct. 18	3	Oct. 3
Do., pref.	Oct. 18	1¾	Oct. 3
Nipissing Mines	Oct. 20	5	Sept. 30
Russell Motor, c.	Nov. 1	1¾	Oct. 15
Do., pref.	Nov. 1	1¾	Oct. 15
Penmans, pfd.	Nov. 1	1½	Oct. 21
Imperial Bank	Nov. 1	3	Oct. 16
Steel of Canada, c.	Nov. 1	1½	Oct. 10
Do., pref.	Nov. 1	1¾	Oct. 10
Standard Bank	Nov. 1	3¼	Oct. 21
Merchants Bank	Nov. 1	3	Oct. 15
Dominion Coal, pfd.	Nov. 1	1¾	Oct. 11
Dominion Steel, pfd.	Nov. 1	1½	Oct. 15
Nat. Breweries, pf.	Nov. 1	3½	Oct. 15
R. Simpson, pfd.	Nov. 1	3	Oct. 17
Bank Nationale	Nov. 3	2½	Oct. 15
Penmans, com.	Nov. 15	1¾	Nov. 5
Kamin. Power	Nov. 15	2	Oct. 31

"Do Your Willing Early"

This is the advice given by a Toronto daily newspaper in an editorial note reading as follows:

"The widow of F. W. Woolworth, the ten-cent store millionaire, will receive the bulk of his estate, though she is of unsound mind, because he failed to complete his will after having drafted it. Do your willing early."
—The Mail and Empire.

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PRESIDENT
E.B. STOCKDALE
GENERAL MANAGER

ANNUAL REPORT OF

Lake of The Woods Milling Company, Limited

reflects a healthy tone in Canada's leading industry

Montreal, October 11th

After four years of military service overseas, Brig.-Gen. F. S. Meighen, President of Lake of the Woods Milling Co., Limited, occupied the chair at the annual meeting held at Montreal, October 1st.

The Report to the Shareholders showed a revenue from the year's exercise of $756,616.40, arrived from sources as follows:—

Milling profits	$547,152.79
Profits from sources other than milling proper, including dividend from Sunset Manufacturing Company, Ltd. (the subsidiary Company)	209,463.61
This amount ($756,616.40) has been apportioned as follows:	
Interest on Company's Bonds	54,000.00
Dividend of 7% on $1,500,000.00 Preferred Shares	105,000.00
Dividend 10% on $2,100,000.00 Common Stock	210,000.00
Bonus Dividend on Common Stock	42,000.00
Additional Dividend 2% on Common Stock (from Sunset Manufacturing Co., Ltd.)	42,000.00
Written off Property and Goodwill Accounts	100,000.00
	$553,000.00

This leaves a balance of $203,616.40, which is carried to Surplus Account. The Directors also set aside a further sum of $200,000.00 to be applied to Bond Redemption Account. After making this provision and adding the surplus profit brought forward for the year, the Surplus now stands at $982,414.30 as against $978,797.90 the previous year.

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WINNIPEG TRAMS WINS FIGHT FOR SIX-CENT FARES

City's Injunction Quashed, and Increase is Effective Immediately

COMPANY'S HISTORY

Auditor's Report Shows That Shareholders' Interest in Company's Assets Has Declined From 62 to 38%

WINNIPEG.—The Winnipeg Electric Railway Company has won its fight for an increased fare on the local street cars. The temporary injunction granted by the city last Saturday restraining the company from putting into effect the increased fare granted by the provincial public utilities commission was quashed on Wednesday, and the 6 cent fare went into effect immediately.

The victory of the company has probably saved the city from a serious situation. When the city obtained the original injunction, the company found itself unable to pay the increased wages granted to its employees under the McMahon award, and early this week it seemed certain there would either be a strike of the employees or a closing down of the service by the company.

The city council ordered that the fare increase be fought in the courts, claiming that it was illegal, in that the provincial public utilities commission had no authority to change the agreement made between the city and the company in 1892, fixing the fares to be charged on the local tramways. The other side was taken by those who did not wish to see a disruption of the city's transportation service. They pointed out that no amount of digging into ancient history to "prove" that the company's stock had been watered, that excessive profits had been made, etc., could alter the present fact that the company could not afford to operate without the fare increase; that without the fare increase there would be no wage increases for employees, and no street cars for the citizens.

Shareholders' Interests

During the course of the fight some interesting facts as to the company's operations in the past were brought out. A report by John Scott & Co., auditors, showed that the shareholders' interest in the assets of the railway dropped from 62% in 1904 to 38% in 1918. The total bonded indebtedness, which in 1904 stood at $10,130,000. The bank overdraft grew from $1,339,422 in 1904 to over $2,000,000. The capital outstanding amounted to only $9,000,000.

A bird's eye view of the company's operations during the 27 years of its existence is given as follows:

Earnings, 100 per cent:		
Tramway	$24,580,099.30	
Light and power	14,026,314.81	
Gas	6,238,687.51	
Miscellaneous..	351,239.40	
		$45,196,341.02
Expenditures, 80 per cent.:		
Operating	$25,275,713.10	
Fixed charges..	9,201,623.88	
Construction contingent account	50,000.00	
Depreciation ..	1,183,375.33	
Miscellaneous..	388,069.63	
		$36,098,781.94
Profits, 20 per cent.		$ 9,097,559.08
Dividend distribution, 17½ per cent.		7,854,693.17
Surplus, 2½ per cent.		$ 1,242,885.71

Average Return 7¼ Per Cent.

Regarding the statement of earnings and profits, the report says:

"From the total earnings of the period amounting to $42,006,098.93 (or an average of more than $3,000,000 a year) a profit of $8,423,902.04 was made or rather better than 20 per cent. These were the years—at least down to 1915—when the company declared dividends at high rates which involved—the capital being what it was—the disbursing of very large sums of money. As will be seen from the statement appended, the yield during this period averaged 7.52 per cent., while it has been found that on applying the total dividends paid during the whole period—1892 to 1918, inclusive—the average annual return on the stock is about 7¼ per cent."

TORONTO RAILWAY

The Toronto Railway Company's gross receipts last month showed an increase of $69,785.45, compared with September of last year, while the city benefited to the extent of an additional $5,582.83. The gross earnings were $641,422, as compared with $571,636 in the corresponding month last year. The city's share of the money amounted to $51,313, as compared with $45,730 in September last year. The net showing is, of course, entirely another matter.

MAPLE LEAF

Officials of the Maple Leaf Milling Company state that at the present time all their mills are operating at full capacity on export orders. Just how long this condition will obtain is not known, but it is generally conceded that unless further export orders are available within a week or so the run of the mills will have to be curtailed. The sales of the common stock of the company during the week have been of a merely nominal character at from two to two and a half points off last week's figure of 199. The preferred sold at 104, also two points off last week's selling price.

DOMINION STEEL

Announcement Re Resumption of Operations is Expected

The trade will be interested in any forthcoming announcement regarding the resumption of operations at the plant of the Dominion Steel Corporation at Sydney. There is a demand for produce now much better than for some time past, and it should result in orders for all the Canadian steel plants. There have been plenty of rumors regarding what iron is going to do. but nothing has materialized officially. Trading keeps up regardless of the shut-down at the plant. Definite announcement regarding dividends a few days ago makes it clear that these will be looked after At 70 the yield should be 8.50.

MERGER DENIED BY SCOTIA OFFICIALS

Rumors of Amalgamation With "Iron" or "Steel" Again Receive Attention

It has become somewhat of a popular pastime for officials of Scotia to deny stories of an amalgamation with Iron or with Steel of Canada. That rumor has come to the surface so many times, and been denied as often, that the strange part is that it should have the hardihood to appear again. In fact it was the last thing Scotia directors did before leaving for the Old Country. Unless some person is prepared to pay cable tolls, the rumor will have to remain at rest for some weeks or even months. Following is an Eastern despatch:

D. H. McDougall, accompanied by Col. Cantley and W. D. Ross, of the Scotia company, will be overseas about two months, most of which time will be spent in Great Britain and the Scandinavian countries. The principal object of the trip, Mr. McDougall said, is to endeavor to lay a solid foundation and make connections for future development of Scotia. The securing of more shipping will be one of their endeavors, so as to place the company in a position to regain markets that had to be abandoned during the war.

Mr. McDougall warned against the expectation of an immediate push of orders as a result of their trip. They were looking ahead some years, he said, and if the foundation was laid for future trade, even without much business for the immediate future, it would be considered satisfactory. Scotia coal had already been sold in Holland, and in substantial quantities in the Mediterranean, most of this being exported in the company's own boats. Some enlargement of this trade was hoped for, but the company had greater expectations as regards the sale of iron ore.

It was expected to build up a large market for the Wabana ore in Great Britain. With this in view the company was pushing development of its Wabana iron areas so as to make available for shipment a larger proportion of the excellent ore from this deposit, which Mr. McDougall considered the finest of its kind in the world. It was also expected to make preliminary arrangements which in a comparatively short time would lead to orders from abroad for steel cars and heavy forgings used in ships, for which work the Scotia plant is well equipped.

Shipbuilding Plans

Speaking of the company's shipbuilding department, Mr. McDougall said plans were now under consideration for the enlargement of the shipyards so as to build ships up to ten thousand tons. This matter would be decided very shortly after his return from Europe, and there was every probability of such extension forming part of Scotia's large programme for improvements necessary to take care of the increased business which it was expected to secure during the next few years. A steamer would be launched to-morrow, and the keel laid immediately for another of 2,800 tons. There was good prospect of several of 5,100 tons being built, some of which would be to supplement the company's own fleet.

Mr. McDougall said there was some prospect of charter rates being lower next spring, so that the company would be in a better position to handle its steel and ore shipments, as well as regaining some part of its former coal trade in the St. Lawrence.

LAURENTIDE

In their monthly review McCuaig Bros. & Co., in referring to the Laurentide Company, remark that "for a long time Laurentide Paper shares had the distinction of being in a class entirely apart from the rest of the paper group, both as to market value and earnings. The wonderful opportunity which came to the Canadian pulp and paper trade through the disruption of the world's markets by the war, has rather remoulded the whole situation and given other companies an impetus, which has enabled them to encroach on the prestige of Laurentide. In fact, in one instance the market price of the stock has been exceeded by that of another company." After a reference to the equity that Laurentide holds in the Laurentide Power Company, "the future value of which may exceed even the most sanguine hopes of its organizers,' 'it adds: "Until the shares of the present company, as well as those of its power subsidiary, are exchanged for those of a new holding company, which, it is believed, is contemplated, it may be difficult to arrive at the exact value of the present equity behind the company's shares, but in the last few weeks estimates have ranged from 208 to 224.

Following the rapid rise some ten days ago there has been little activity in Laurentide, and the stock this week sagged back about five points from the high of 233 that was reached. But then Laurentide is apt to do this at any time, and then surprise the Street by a sudden plunge forward.

BIG BOND ISSUE FOR SHAWINIGAN

Shareholders Endorse Proposal For Gold Issue To Maximum of $50,000,000

MONTREAL.—Confidence in the management and the big future of the Shawinigan Water & Power Company was manifest on Wednesday of this week when the shareholders met and readily sanctioned the proposals of the directors for widening the financing plans of the company, which were under certain restrictions under the existing by-laws of incorporation. This action, taken at the meeting, consisted of sanctioning a by-law providing for the creation of first and refunding gold bonds to a maximum amount of $50,000,000 at any one time outstanding. The assets of the company now show a book value in excess of $32,000,000, and these assets which have grown so rapidly, have resulted from the proceeds of financing through the issues of first mortgage gold bonds, and also from the issue of common shares, the most at a substantial premium.

The activities of the company have broadened so much, however, that the early machinery has been outgrown in so far as finances are concerned. Many opportunities are believed to lie before the company for development, and the directors desired to be placed in a position where they would be able to take advantage of them. The inadequacy of the machinery is explained first of all by the fact that the outstanding issue of first mortgage gold bonds is a closed issue for the sum of $5,000,000. In the second place, further issues of the company's 4½ per cent. perpetual consolidated mortgage debenture stock are restricted by the terms of the company's charter to amounts which shall not exceed in the aggregate 50 per cent. of the par value of all the common stock outstanding. Thus further issues of the debenture stock are made unsuitable for the company's larger requirements. And further debenture stock is not a security that is acceptable to American investors. It is considered essential too, that the company shall be able to avail itself of this source of supply. An additional reason is that further issues of debenture stock would involve further issues of common stock, that might be undesirable at various times.

It is provided that the new issues may be in series, to have a final maturity not later than January 1, 1974, with a maximum rate of 6 per cent. Bonds of the first series will be known as series A, and will amount to about $6,000,000, at a rate of 5½ per cent., maturing Jan. 1, 1950. These bonds will be used for the special purpose of retiring the outstanding perpetual debenture stock amounting to $5,476,261. A further issue of $5,500,000 may be used to retire the outstanding issue of first mortgage gold bonds. Additional bonds may be issued up to an amount of $8,500,000 for capital expenditures only. It is provided that before or at the time of the issue of any of these bonds the gold notes must be retired, which were issued to the etxent of $4,500,000.

ACADIA SUGAR

Large Issues Proposed of Debenture Stock, Common and Preferred

A circular has been sent out by the Acadia Sugar Refining Company of Halifax, N. S., calling a special meeting of shareholders to consider the issuing of $3,000,000 of 7 per cent. debentures and also to increase the capital of the company by the creation of 22,500 new shares of the par value of twenty pounds sterling each, 16,000 of these to be ordinary shares, ranking with the existing ordinary shares, in all respects, and 6,500 preference shares also ranking with the present preference stock. It is proposed that all the shares of the company at the option of the holder, be convertible at any time into shares of the par value of $100 and such shares of the par value of $100 shall be convertible into shares of the par value of 20 pounds (on the basis of conversion of 1 pound being equal to $4.86 2-3).

STEEL OF CANADA

Steel of Canada common has almost set up a new high mark for the year's selling when it again touched on 75 for a good lot of trading. At only one other time this year has it shown anything better, when during the first few days of July it went as high as 76, but immediately receded. Preferred is also showing strength at 100. Common at 75 is still good buying, being an eight per cent. investment, and production at the plant now is sufficient to carry all obligations and attend to dividends. Conditions in the Canadian steel trade generally are much brighter than they were a few months ago.

DULUTH-SUPERIOR

For the last period of September gross earnings of the Duluth-Superior Traction Company amounted to $46,060, as compared with $40,603 for the corresponding period in 1918, an increase of $5,457 or 13.4 per cent.

For the month the earnings totalled $157,571, an increase of $20,777 or 15.2 per cent.

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United States export figures indicate a resumption of trade with Germany. In April, 1919, the value of American exports to Germany was $55. In July the amount was $2,426,742.

MANITOBA COPPER TO BE DEVELOPED BY HAYDEN STONE

American Interests Purchase Flin Flon Mine at Copper Lake

MANY MINERALS THERE

Though Gold is Most Attractive Find in the District, There Are Other Minerals of Importance

Development on a large scale of the mineral resources of Northern Manitoba may be expected to commence shortly. Prospectors are still crowding the Copper Lake mineral area, though all the ground in the vicinity of the Gordon gold shoot was staked several weeks ago, while active development of the copper district thirty-five miles west of Copper Lake is promised by the announcement this week that the enormous Flin Flon mine has been purchased by Hayden, Stone & Company, of New York and Boston, said to be the largest low-grade copper operators in the world.

Toronto mining interests are involved in this sale. The six prospectors who discovered the Flin Flon own one-third. John E. Hammell, Toronto, owns one-fourth. Frank Currie of the Iroquois Hotel, Toronto, owns one-eighth; Alex. Fasken, one-eigth. David Fasken purchased a one-sixth interest, and after spending $350,000 on the property, received a further interest. The present owners, it is expected, will dispose of their interests completely to Hayden, Stone & Co.

Large Ore Reserves

Telling of the ore reserves of the Flin Flon property, J. W. Callinan, who has been doing exploration work for the past four years, said:

"Up to the present we have 20,000,000 tons of ore blocked out, and 42,000 feet of diamond-drilling has been done. For a distance of over 2,100 feet in length on the vein and a depth of 900 feet, the ore from the surface assays to the depth of 900 feet did not vary one per cent. on the assays. The copper contents of the ore body are 1.87 per cent., $1.80 in gold and 1½ ounces in silver, 3½ per cent. zinc, and 38 per cent. sulphur. The value of the ore body so far blocked out for copper, gold and silver is, approximately, $200,000,000. The cost of treating this ore will be in the neighborhood of $5 a ton."

Railroad Is Needed

Transportation to the property is needed, but it is not anticipated that there will be any difficulty in this regard, as the opening up of the mine and the construction of the smelter and refineries that will be operated in conjunction with it, will make a railroad a paying proposition from the start. The Government of Manitoba has promised to build the line if negotiations now pending with the C. N. R. fall through.

The Copper Lake and adjacent districts have attracted attention because of their diversified mineralization. Since the end of July when Peter Gordon made his sensational gold find, gold has been the centre of attraction, and has probably obscured the value of the district for the production of other minerals. Reporting on the gold shoot, Prof. R. C. Wallace, points out that it is important because of the quartz lode body nearby.

He says:

"Some idea of the extent of this iron sulphide mineralization may be obtained from the fact that on the Caribou claim west of Brunne lake, a rounded hill, is well exposed on the line of strike of the iron formation, at least seventy-five feet wide, and is mineralized throughout with practically solid pyrite and pyrhotite.

Large Scale Development

"The importance in itself of the gold shoot on the Red Rose claim cannot at the present moment be accurately estimated, owing to the fact that no considerable body has yet been uncovered in the line of strike in which the shoot appears. It is, however, significant as indicating the presence of gold in quantity at one place in a district where quartz and iron sulphide bodies are so extensively developed, and particularly owing to an extensive quartz lode, preliminary sampling of which shows very encouraging results.

"The quartz and iron sulphide lodes should be thoroughly investigated by companies which are prepared to handle development work on an extensive scale."

WESTERN POWER

Western Power Company of Canada, Limited, reports August operating revenues at $42,108, an increase of 7.6 per cent., compared with August 20, 1918, and net earnings of $26,470, an increase of 7.7 per cent. There was included in operating expenses for depreciation in August the sum of $2,096. Twelve months ended August 31, operating revenues were $461,333, an increase of 1.8 per cent. over the same period in 1918, and net earnings of $294,285,, a decrease 5.7 per cent., compared with the same period of 1918, after making allowance for depreciation of $20,059.

CONIAGAS MINE.

Coniagas is expected to produce about 800,000 ounces of silver during the current year. The mine resumed operations at full capacity during the openings days of the second week of September, and is in a physical condition to speed up production to such an extent as to almost make up for the loss of the time incurred by the recent labor strike.

GRANBY'S BIG PROFITS

Gross profits of the Granby Mining, Semlting and Power Company for the year ending June 30 were $755,348. The annual report of the company was presented to the shareholders at the annual meeting in New York, this week. Dividends have been paid out of surplus, it was stated, and in answer to an enquiry from a shareholder, E. P. Earle, vice-president, said that he could not make any promise for the future in regard to dividends, but as the company has turned the corner, fairly satisfactory results might be expected.

MINING STOCK QUOTATIONS

Week Ending Oct. 8.

	High	Low	Close	Sales
Adanac	12½	11½	12	68,200
Apex	3	2½	2½	9,000
Atlas	25½	24½	25½	34,700
Bailey	4¼	3¾	4¼	3,000
Beaver	41	39	39½	3,900
Coniagas	2.90	2.85	2.85	500
Crown Res...	41½	32	37	10,600
Dome Exten...	34	33	33¾	19,900
Dome Lake ..	14¼	13½	14¼	8,000
Dome Mines..	15.00	14.15	14.75	831
Foster	4½	..	..	2,500
Gifford	2	..	..	8,000
Davidson	71	66	71	37,450
Hargraves ...	3	2½	3	10,200
Hollinger	6.95	6.80	6.95	2,830
Hillcrest	81	..	..	25
Keora	19½	18½	19½	26,600
Kirk. Lake ..	39½	38½	39½	1,200
Lake Shore ..	1.09	1.07	1.07	2,307
La Rose	41	39	40	3,150
McKin.-Dar ..	74	72	73	1,700
McIntyre	1.95	1.94	1.95	4,666
Moneta	14	13	13½	6,600
Newray	17	14	14	6,200
Nipissing	11.90	11.70	11.75	1,435
Mining Corp..	1.78	1.76	1.78	550
Ophir	5½	5	5½	16,100
Pete. Lake ...	12¾	12¼	12½	11,900
Porc. Crown .	29	27	28½	29,425
Preston E. D.	3½	..	..	600
Porc. Tisdale.	2½	2¼	2¼	4,000
Right of Way	4¾	4½	4½	1,600
Schumacher...	25½	24½	25½	6,200
Teck-Hughes.	21½	19½	21½	26,300
Trethewey ...	34½	34	34	4,900
V. N. T.......	20½	20	20½	19,600
Wasapika ...	103	100	102	18,025
Timiskaming..	44	42½	44	14,150
West Dome...	11¼	11	11	1,900

KIRKLAND PORPHYRY SHARES MAY PAY 20c

Assets Consist of Equities in Mineral Areas in Teck

Shareholders of the Kirkland Porphry Gold Mines, Limited, will receive about 20 cents on the dollar, according to the figures contained in an interim report on the company's position, issued by F. C. Clarkson, interim liquidator. The statement shows a nominal deficit to shareholders of $377,148, while the liabilities to shareholders total $1,623,005. A summary of the statement is as follows:

Assets		
Equity		$1,247,399.54
Liabilities		
To creditors—		
Direct	$878.43	
Preferred	664.60	
Secured—no ranking		
		1,543 03
Nominal surplus to creditors.		$1,245,856.51
To shareholders		1,623,005.00
Nominal deficit to shareholders		$ 377,148.49

The assets mentioned consist largely of equities in mining location in the Township of Teck, and in the Orr Gold Mines. Cash in hand is $2,103.

The principal creditors, outside of the shareholders, are Dr. C. E. Wettlaufer, of Buffalo, to whom is owing $413,200, secured by $420,000, 7 per cent. mortgage bonds, and Hamilton B. Wills, Toronto, $190,407, secured by $170,000 mortgage bonds, and $873,334 shares of the capital stock of the Orr Gold Mines, Ltd., valued at $20,407. There are a number of smaller accounts in favor of business houses in Toronto and the North country, all under $1,000.

Stock Movements of the Week

Week ending October 8, 1919.

	Ask	Bid	High	Low	Close	Sales	Yield to Oct. 2
Banks—							
Commerce	199	197½	198¼	197½	198	121	6.06
Dominion	...	203	202¼	202	202¼	15	5.94
Hamilton	...	...	190	189¾	190	57	6.31
Hochelaga	...	...	150	150	150	18	5.69
Imperial	200	199	200	200	200	21	6.00
Merchants	194	...	195	193½	194	94	5.67
Molsons	...	...	190	190	190	1	6.18
Montreal	211	...	210½	210	210	78	5.71
Nova Scotia	272	...	273½	272	272	11	5.83
Royal	215	...	215¼	214	215	96	5.58
Standard	214	...	214⅞	214	214	20	6 04
Toronto	197	196½	197	197	197	4	6.09
Union	...	162	162	161	161	8	6.09
Transportation—							
Barcelona	10	9¾	10	9¾	9¾	150	....
Brazilian	54⅞	54⅝	56	50	54½	11867	....
Can. Steamships, c...	65¾	65¼	65½	62½	65½	3342	6.34
Do., pref.	84¼	84	84½	83¼	84¼	1274	8.33
Detroit United	100	98	99	98	98	681	8.08
Duluth-Superior	...	31	32	32	32	10	7.14
Illinois Traction, pfd.	...	...	71	70	71	23	8.45
Quebec Railway	...	21¼	21½	20½	21	400	....
Toronto Railway	...	40	41½	40½	41½	75	....
Winnipeg Electric ...	40	36	40	40	40	30	....
Telegraph, Light, Power—							
Bell Telephone	119	117	119	118¾	119	108	6.77
Consumers' Gas	142	...	142	142	142	55	6 99
Mackay, com.	80¾	80	80¾	80	80¾	154	7.50
Do., pref.	66¾	66⅛	66½	65¾	66⅛	39	6.06
Mont. L., H. & P. Con.	90⅜	90⅜	91½	90½	90½	2325	5.49
Ottawa Light, Heat ..	...	...	83	81½	83	122	7.31
Shawinigan	123	122⅞	123	121	123	1498	5.69
Industrials—							
Abitibi P. & P., com..	142	141	143	113½	143	1490	5.21
Ames-Holden, com. .	98	97⅞	97¾	84	96	6190	....
Do., pref.	111½	111	111	107	110	2440	6.36
B. C. Fish, com.......	64	62¾	63½	62	62½	821	7.81
Brompton P. & P., c..	70¼	70	70½	65	70	8581	7.57
F. N. Burt, com.......	...	105	105	101	105	150	8.00
Do., pref.	...	105	100	100	100	30	7.00
Canada Bread, com...	26¾	26½	27½	23¾	27	2625	....
Canada Cement, com..	70¼	70	70½	70	70	1645	8.57
Do., pref.	...	100½	100½	100	100	221	7.00
Can. Car & Fdry, c...	50	49⅞	50½	48	50	1966	....
Do., pref.	100½	99	100½	99¾	100	395	7.00
Canadian Converters.	69½	...	69	68¾	69	195	7.24
Can. Cottons, com....	95	93	93	93	93	170	6 38
Do., pref.	...	81½	82	81½	81½	105	7.22
Can. Loco., com......	105	104½	105¾	94½	104½	5840	6.45
Do., pref.	...	...	93	93	93	20	7.44
Can. Gen. Elec., com..	109	108½	109½	108½	109	160	7.27
Carriage Fact., com...	...	27½	33	17	28	3370	....
Do., pref.	...	66	69	54	65	968	10.00
City Dairy, pref......	93	91	91¼	91¼	91¼	25	7.52
Dom. Bridge, com. ...	110½	110	113	108	110½	2302	6.95
Dom. Canners, com...	54½	...	54¼	53	53	205	....
Do., pref.	90	88½	90	89	90	146	8.23
Dom. Steel Corp......	69¼	69	69½	68⅛	69	4645	8.69
Dom. I. & Stl., pfd...	...	...	96½	95	95	128	7.21
Dom. Textile, com. ...	122½	121½	123	121	121½	395	6.45
Do., pref.	...	...	103	103	103	2	6.60
Goodwins, Ltd., com..	...	25	25	25	25	112	....
Do., pref.	...	72	72	70	72	34	....
Lake of Woods, pref..	110	...	110	110	110	60	6.60
Laurentide	229	228	230	228	228	315	5.15
Lyall Construc., com..	119½	118½	161	95	120	8933	8.33
A. MacDonald, com...	35½	35	35½	34¼	35½	425	....
Maple Leaf Mill., com.	197	196½	197	196½	196½	55	6.03
Do., pref.	104½	103	104	104	104	5	6.60
Montreal Cottons, c..	74	72¾	73	72	73	260	5.84
Monarch Knitting, pf.	89	...	90	90	90	1	7.77
Nat. Steel Car, com..	9	8	10	9	9	70	....
Do., pref.	34	33	44	34	84	405	....
N.S. Steel, com.	...	83	78	78	78	25	6.66
Ogilvie Flour, com. ..	242	240	242	242	242	165	4.95
Ont. Stock Prod., com.	...	...	39	37	38	171	....
Do., pref.	..	...	78	78	78	2	....
Pacific Burt, com. ...	35	34	34	33⅝	34	75	6.06
Do., pref.	...	78	78½	78½	78½	8	8.86
Penmans, com.	...	...	110	108	110	115	5.55
Do., pref.	...	...	98½	91	98½	15	6.38
Price Bros.	...	...	220	220	220	8	3.60
Riordon P. & P., com.	149½	149	151	148	149	2649	6.71
Do., pref.	98	97	98	98	98	50	7.14
Russell Motor, com...	90	86	85	85	85	50	8.75
Sawyer-Massey, pref.	60	...	58	55	55	30	....
Shredded Wheat, com.	...	133	134	134	134	55	5.97
Smith Paper Mills, c.	106½	104	106	100	106	455	....
Spanish River Pulp, c.	58	57	57½	54½	57	6324	....
Do., pref.	114	...	113¼	113	113	595	....
Steel of Can., com....	75	74¾	75	72	74⅝	4507	8.21
Do., pref.	...	98½	100	98¾	100	161	7.07
St. Law. Flour, com...	119	...	124	115	120	1445	5.08
Tooke Bros., com.....	71	69	70¾	68	70	1945	....
Do., pref.	...	...	91	91	91	140	7.60
Toronto Paper	...	92	92¼	89	92¼	235	6.81
Tuckett Tobacco, com.	50	49	53½	48	48	315	....
Do., pref.	...	...	90	90	90	2	7.69
Wayagamack, com. ..	67¼	67	67	65	67	1238	....
Woods Manf., pref....	...	85	88	85	85	35	8.04

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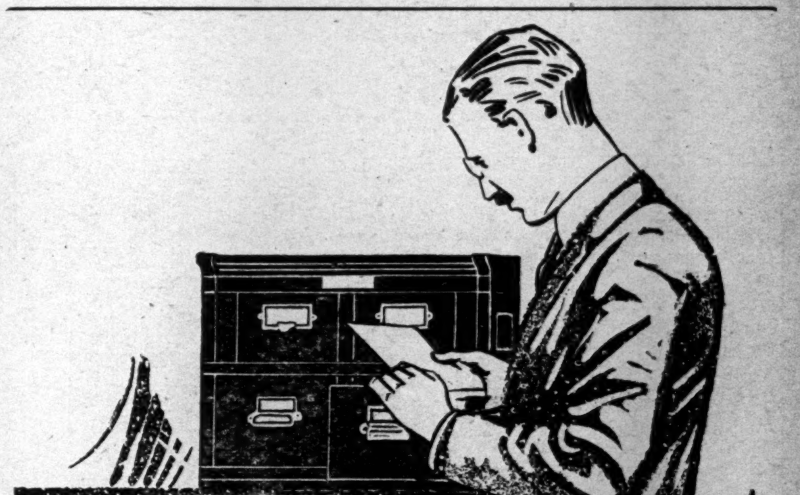
HOME OFFICE TORONTO



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Winnipeg Regina Edmonton Calgary Vancouver
THE OFFICE SPECIALTY MFG. CO., LIMITED
Home Office NEWMARKET Canada

OFFICE SPECIALTY FILING SYSTEMS
937

HOLLINGER

The past twelve weeks of Hollinger's operations have shown steady improvement over the operations for the first six months of the year, according to the interim report sent to shareholders this week with a further 1 per cent. dividend. Gross receipts from January 1 to September 9 were $4,839,845, while charges against this amount were $2,433,958. Net profits were $2,405,887, which is a somewhat better percentage than was noted in the first half of the year. Dividends amounting to $984,000 have been paid and the sum of $1,427, 887 has been added to the surplus, which now stands at $3,493,174, nearly one-half of which has been added this year. Assets total $28,359,960.

AUTUMN IN ALGONQUIN PARK

Algonquin Parfl is situated 200 miles north of Toronto, and 170 miles west of Ottawa. Average elevation, about 1,500 feet above sea level, at some points 2,000 feet. Area, over two million acres. It is one of the largest, the wildest, and most interesting forest reserves in autumn, winter or summer accessible to the people of Eastern Canada. The Highland Inn, equipped with modern plumbing, large bright sleeping rooms, cosy lounging rooms, a spacious rotunda and dining room, thoroughly modern in every particular, is owned and operated by the Grand Trunk Railway and will be kept open for the reception of guests this autumn and the coming winter. It is steam heated. There is a writing room, music room and billiard room. The cuisine is given personal supervision and patrons can depend upon satisfactory service. Rooms should be reserved in advance as accommodation is limited. No cases of tuberculosis received. Autumn attractions: fishing, tennis, bowling on the green, etc. Winter attractions: tobogganing, snowshoeing, ski-ing and skating. For reservations, rates and all particulars write to N. T. Clarke, manager, Algonquin Park Station, Ontario.

IMPERIAL BANK OF CANADA

DIVIDEND No. 117

Notice is hereby given that a dividend at the rate of twelve per cent. (12%) per annum upon the paid-up capital stock of this institution has been declared for the three months ending 31st October, 1919, and that the same will be payable at the Head Office and Branches, on and after Saturday, the first day of November next.

The Transfer Books will be closed from the 17th to the 31st October, 1919, both days inclusive.

By order of the Board,

W. MOFFAT,
Toronto, 3rd September, 1919 General Manager.

THE BANK OF NOVA SCOTIA

INCORPORATED 1832

Capital, - - - - $ 9,700,000
Reserve Fund - - - 18,000,000
Total Assets, over - - 220,000,000

GENERAL MANAGER'S OFFICE, TORONTO
H. A. Richardson, General Manager

BRANCHES:
CANADA—In all the larger cities and towns and throughout each province—254 branches.
NEWFOUNDLAND—St. John's and 18 other points.
JAMAICA—Kingston and 9 other points.
CUBA—Havana.
PORTO RICO—Fajardo and San Juan.
UNITED STATES—New York, 52 Wall Street; Boston and Chicago.

CORRESPONDENTS:
LONDON, ENG.—London Joint City & Midland Bank, Ltd.
NEW YORK—Bank of New York, N.B.A.; National Bank of Commerce.
Collections made at lowest rates and returns promptly remitted. Accounts of firms, corporations and individuals carried on most favorable terms.

Correspondence Solicited

LLOYDS BANK LIMITED.

Head Office: 71, LOMBARD ST., LONDON, E.C. 3.

CAPITAL SUBSCRIBED - £55,962,850
CAPITAL PAID UP - - 8,954,056
RESERVE FUND - - 9,000,000
DEPOSITS, &c. - - 267,966,438
ADVANCES, &c. - - 81,072,134

THIS BANK HAS OVER 1,300 OFFICES IN ENGLAND AND WALES.
Colonial and Foreign Department: 17, Cornhill, London, E.C. 3.
The Agency of Foreign & Colonial Banks is undertaken.

Affiliated Banks:
THE NATIONAL BANK OF SCOTLAND, LTD. LONDON & RIVER PLATE BANK, LTD.
French Auxiliary:
LLOYDS BANK (FRANCE) AND NATIONAL PROVINCIAL BANK (FRANCE) LIMITED.

NIAGARA FIRE INSURANCE COMPANY
Incorporated 1850 Head Office: NEW YORK
Cash Capital: $1.000.000.00.
Total Assets Dec. 31st, 1918: $10.286.583.97
Canadian Department: MONTREAL W. E. Findlay, Manager
Toronto Agents: - - Murphy, Love, Hamilton & Bascom

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MONEY BANKING AND EXCHANGE

ALL BUT TWO CITIES SHOWED HIGHER RETURNS

In the East Clearings Were Higher by 20.2%—In West 11.8%

TOTAL HIGHER BY 17.7%

All Cities, Except Halifax and Lethbridge, Showed Substantial Gains—Windsor Reported Largest p.c. Gain

For the week ending October 9, bank clearing returns from twenty-seven cities reporting showed a total of $388,431,119, as compared with $330,009,201 for the corresponding period in 1918, an increase of $58,421,918, or 17.7 per cent. Only one city in the East and one in the West showed lower returns, these being Halifax and Lethbridge. In the East the gain was $46,595,749, or 20.2 per cent. Windsor reported the largest percentage increase of 101.6, with Brantford next with a gain of 56.8 per cent. Toronto reported a gain of 22.7 per cent., and Montreal a gain of 18.6 per cent.

Eastern Cities.

	Oct. 9. 1919		Change	%
Montreal	$ 143,282,538	+	$ 22,522,345	18.6
Toronto	91,147,107	+	16,907,260	22.7
Ottawa	9,366,191	+	1,120,820	13.5
Hamilton	7,123,221	+	1,409,586	24.6
Quebec	6,262,845	+	571,573	10.0
Halifax	4,983,194	—	609,950	10.9
London	3,579,423	+	965,385	36.9
St. John	3,445,854	+	1,004,384	41.1
Brantford	1,627,319	+	589,418	56.8
Peterboro	1,031,718	+	174,885	20.4
Sherbrooke ...	1,039,676	+	336,946	47.9
Kitchener ...	1,185,231	+	377,496	46.7
Windsor	2,431,654	+	1,224,601	101.6
Total, East. ..	$ 276,505,971	+	$ 46,595,749	20.2

Western Cities

	Oct. 9, 1919		Change	%
Winnipeg	$ 64,606,018	+	$ 2,877,647	4.6
Vancouver	14,738,459	+	3,340,895	29.3
Calgary	9,441,345	+	1,811,512	23.7
Edmonton ..	5,277,269	+	1,615,654	44.1
Victoria	2,589,693	+	363,223	16.3
Regina	5,690,068	+	710,818	14.3
Saskatoon	2,501,418	+	323,842	14.8
Moose Jaw ..	2,219,224	+	223,475	11.2
Ft. William ..	1,169,944	+	157,348	15.5
Brandon	1,064,510	+	258,507	32.0
Lethbridge ...	770,982	—	343,331	30.8
N. Westminster	678,623	+	184,542	37.3
Medicine Hat.	701,920	+	161,865	29.9
Prince Albert.	475,675	+	140,172	41.8
Total, West...	$ 111,925,148	+	$ 11,826,169	11.8
Grand Total ..	$ 388,431,119	+	$ 58,421,918	17.7
Yr. to date.	$11,317,691,114	+	$1,664,930,182	17.2

NEW BANK BRANCHES OPENED IN SEPTEMBER

Sixty-five New Offices Were Established and Two were Closed

Sixty-five new branches of the Canadian chartered banks were opened during the month of September, while the number of branches closed during the month was two. The branches opened show a decrease of three as compared with the total for August, when there were sixty-eight branches and three branches closed. The Merchants' Bank heads the way in the number of new branches opened, the total being 11; next in order comes the Union with a total of 9; Royal 8; Montreal and Imperial 6 each; Commerce and Hamilton 5 each; Hochelaga 4; Toronto, Home and Molsons 2 each; Sterling, Standard, Nova Scotia, Nationale and Dominion 1 each.

The Merchants' closed a branch in Alberta, and Union a branch in Alberta. Following is a list of the branches opened and closed:

OPENED

Commerce—New Toronto; Ottawa St. and Campbell Ave., Hamilton; Chambly Canton (sub-agency to Chambly); Jasper Ave. and 102nd St., Edmonton; Elk Point, Alta.

Dominion—Walkerville, Ont.

Hamilton—Three in Ontario; two in Manitoba.

Hochelaga—Fauquier, Que.; Verdun (Gertrude and Strathmore Sts.); Villeneuve, Alta.; Lac La Biche Station, Alta.

Home—Galetta (sub to Arnprior); Amulet (sub to Weyburn).

Imperial—Kingston Road and Balsam Ave., Toronto; Crampton, Ont.; Avon, Ont.; Verschoyle (sub to Ingersoll); Handel, Sask.; Edgeley (sub to Regina).

Merchants—Flesherton, Ont.; Ceylon, Ont.; Brodhagen, Ont.; Brownlee, Sask.; Lake Valley, Sask.; Eskbank, Sask.; Ohaton, Alta.; Sexsmith, Alta.; Lamont, Alta.; Mundare, Alta.; Rowley, Alta.

Molsons—London St., Windsor; Londesborough, Ont. (sub to Clinton).

Montreal—Mikado, Sask.; Kimberley, B.C.; Ladner, B.C.; Langley Prairie, B.C.; Stewart, B.C.; Williams Lake, B.C.

Nationale—St. Urbain, Charlevoix, P.Q.

Nova Scotia—Newfoundland.

Royal—Perth; Canterbury, N.B.; Waterville, N.S.; Penzance, Sask.; Clyde, Alta.; Picardville, Alta.; Camaguey, Avellancoa St., Cuba; Cruces, Cuba.

Standard—Brodhagen, Ont.

Sterling—Beaverton, Ont.

Toronto—One in Quebec; one in Alberta.

Union—Burritts Rapids, Ont.; Berwick, N.S.; Keystown, Sask.; Kyleville, Sask.; Clearwater, Man.; Homewood, Man.; Graysville, Man.; North Edmonton, Alta.; Rimbey, Alta.

CLOSED

Merchants—Merna, Alta.

Union—Cessford, Alta.

MONTREAL

The Bank of Montreal announces the opening of a branch for business at the corner of Bloor street and Spadina avenue, to be known as the Bloor street and Spadina avenue branch, under the management of F. E. Fisher, with the title of manager.

G. C. Cassels, manager of the London, England, branch of the Bank of Montreal, arrrived during the week at Quebec on the Empress of France.

MERCHANTS

Construction is to be started almost immediately of a branch of the Merchants Bank at 12 and 14 King street west, Toronto. The four-storey building now on the site will be torn down. This site fronts 54 feet on King Street by 80 feet deep to a 10-foot lane. The banking room will cover the whole lot, while three more storeys, 20 feet deep, will be added to the front. The building cannot be made four storeys over the whole depth owing to the difficulty of securing light. A banking room 51 feet wide by 67 feet long and 30 feet high will be provided.

The Lake Lenore branch of the Merchants Bank of Canada commenced business on October 1, with P. C. Weishar, formerly accountant at Humboldt, in charge, and L. F. Falkingham, of Leader, Sask., as second officer.

HOME

The Home Bank of Canada has opened a branch office in Windsor, Ont., under the management of John Bain, formerly manager of the Walkerville branch.

COMMERCE

A branch of the Canadian Bank of Commerce has been opened at Esquimalt, B.C., and will be operated as a sub-agency to the Victoria branch.

UNION BANK

H. B. Shaw, general manager, who sailed from New York last week, goes to London to join Mr. John Galt, the president, and together they will visit Paris for the opening of the first branch in France of the Parks-Union Foreign Banking Corporation. It is rumored that as a result of the visit of these two Canadian bankers to Europe that the Union Bank of Canada will extend its foreign connections.

This week new branches were opened at Blenheim, Ont., and at Redland, Alta., bringing the bank's chain of branches to a total of 377. The sub-branch at Caledon will be operated from now on as a separate branch under the management of G. B. Clark, of Dundalk. W. G. Thompson has been appointed manager at Blenheim and H. H. McKinnon at Redland.

F. A. Creswick has been transferred from Barrie to Thornton as ledgerkeeper.

D. S. W. Baker, of Montreal, has been appointed receiving teller at Place d'Armes, Quebec, following the transfer of C. A. Lepage to Ottawa (Market Street).

H. R. Ennis, Warkworth, has been appointed teller-accountant at Hillsburgh and A. B. O'Connor, Sydenham, goes to Warkworth.

D. Dewar, Englehart, has been made manager at Kinburn, and J. J. Gallagher, Westport, transferred to Englehart as manager. J. N. Nielson, a returned soldier, will be acting manager at Westport.

S. T. Norburn, returned from overseas, has been attached at Toronto.

J. E. Schnick, returned from military service, has been appointed teller at Stirling.

D. R. Meston, New Dundee, has been appointed teller-accountant at West Lorne, replacing C. K. Overland, transferred to Caledon as teller-accountant.

C. L. Dickinson, returned from military service, has been attached at Merrickville as accountant-in-charge of the sub-branch at Burritt's Rapids.

H. S. Ivey, Canfield, has been appointed teller-accountant at Pape and Danforth, Toronto, and T. W. Hall, returned from military service, becomes teller-accountant at Canfield.

J. Anderson, Winnipeg, took over the duties of his newly appointed position as eastern inspector this week, relieving G. M. Upham, who at his own request is taking an extended holiday on account of ill-health. Mr. Anderson held the position as inspector of branch returns at the head office in Winnipeg prior to coming to Toronto this week to his new post. Immediately prior to that and for some years he was manager at Calgary.

ROYAL

The Royal Bank has purchased the old Central Hotel property on Main street, Galt, and is now having plans prepared for a handsome new building. Work on the new structure will commence in the spring.

C. W. Goodman, who for the past year and a half has been accountant in the St. Mary's branch of the Royal Bank, has been transferred to the branch at Burford, where he will assume the managership of the branch.

The head office of the Royal Bank of Canada announce that their branch at Rio de Janeiro, Brazil, opened for business on October 1st under the management of G. V. Long, late manager of San Jose, Costa Rica, branch. Other branches in Brazil will be opened shortly, namely, Sao Paulo and Santos. Arrangements are also nearing completion for opening at Buenos Aires, Argentine, and Montevideo, Uruguay. A general banking business, we are informed, will be transacted at all of these points. The supervision of the Royal Bank's branches in Brazil, Argentine and Uruguay will be in the hands of C. C. Pineo, formerly the bank's manager at Havana. Mr. Pineo, in addition to having had several years' experience in the West Indies with the Royal Bank, was manager for four years in Brazil for the National City Bank.

Announcement is also made of the opening of a branch by the Royal Bank of Canada at Port-au-Prince, Haiti, which will form an added link to its chain of offices in the Caribbean. Another branch also will be opened shortly at Barranquilla, Colombia.

The Royal Bank of Canada now has some 610 branches, of which 540 are situated in practically every city and town of Canada and Newfoundland, 56 in the West Indies, and also 10 in Central and South America. The bank is also established in London, Paris, Barcelona and New York.

BRITISH BANKERS ASK GOV'T ACTION TO AID EXCHANGE

French Financiers Also Ask to Have the Franc Stabilized

NEW YORK FUNDS

Some Improvement in Rate on New York is Looked For, Though Market Has Held Steady All Week

Again there are prophecies of an improvement in the discount on Canadian money in New York, although the strong tone of the market for New York funds has been maintained almost without fluctuation for the past three weeks. Bankers who look for an easier market give as their reason the accumulation of funds in the other direction from the shipment of grain from Canada and the investment of United States capital in the Victory Loan. In any event Canada is much better off than most of the European countries, where exchanges are in a very unstable condition. The continuance of rock bottom quotations for sterling, lira, francs, marks, etc., is causing great concern in Europe, but the governments of the nations involved seemingly are willing to allow the situation to continue, possibly because of the encouragement it affords to home manufacture. Neither in France nor in Britain has the Government attempted any solution of the problem.

In both England and France leading financiers continue their demands on their respective governments for action to relieve the chaotic conditions of international exchanges. Sir George Paish, writing in "Lloyd's Bank Monthly," states that the fall in the lira, the franc and sterling is due to the fact that America has financed England, and England has financed the rest of the world. As Europe obviously cannot pay her debts now, the solution of the situation rest with the British Treasury. The "Daily Express" calls a halt in the printing of paper money, and says:

> "The British Treasury, backed by British financiers, should be able to put before the world a plan for financial reconstruction. Such a plan might not be wholly acceptable, but it would give the much-needed lead. In any case, the fact that Great Britain showed herself determined to put her own house in order would be a strong incentive to the other nations of the world, and even America might realize the necessity for extending the comradeship in war, of which she became so proud, to the work of reconstruction in peace."

Would Buy Elsewhere

In France it is advocated that wheat be purchased from Roumania, and other goods from countries where the franc is at par, leaving the United States out of the country's import trade entirely.

Fluctuations in the pound and the franc for the week were:

		Sterling		Francs	
		Demand	Cables	Dem.	Cab.
October	3..	$4.22½	$4.23½	$8.40	$8.38
"	4..	4.19¼	4.20	8.36	8.34
"	6..	4.21¼	4.22	8.35	8.33
"	7..	4.21¾	4.22½	8.40	8.38
"	8..	4.18¾	4.19½	8.49	8.47
"	9..	4.18¾	4.19⅜	8.48	8.46

The record of the market for New York funds for the week has been as follows:

October 3.—The rate for New York funds at the opening was 3 29-32; selling up to 4% a little later. At the close funds were 3 15-16 to both buyer and seller.

October 4.—Opening at 3 15-16, the market strengthened a bit and the close was 3 31-32 to the buyer.

October 6.—3 15-16 was offered at the opening and a small amount was sold at that rate before the rate sold down to 3 29-32. The closing was 3⅞.

October 7.—Still another small decline was noted in New York funds. Opening at 3⅞, they sold down to 3 13-16 at the close.

October 8.—Market steady all day at 3 13-16 to buyer and seller.

October 9.—The week's decline was made up again to-day when New York funds, after opening at 3 27-32, advanced to 3⅞ to buyer and seller.

BANKERS ABROAD

A number of Canadian bankers took part in the convention of the American Bankers' Association at St. Louis last week, including the following: A. Oliver Harper, manager, Sterling Bank of Canada, Winnipeg; P. C. Harrison, Foreign Department manager, Bank of Montreal, Montreal; Baptist L. Johnston, foreign department, Dominion Bank, Toronto; S. H. Logan, supervisor, foreign department the Canadian Bank of Commerce, Toronto; E. L. Stewart Patterson, superintendent, Canadian Bank of Commerce, Sherbrooke; C. W. Rowley, manager, Canadian Bank of Commerce, Winnipeg; J. W. Ruggles, department manager, Standard Bank of Canada, Toronto; W. W. Watson, secretary, Bank of Nova Scotia, Toronto. W. M. Forrest, agent, New York, represented the Union Bank of Canada.

HAMILTON

The Bank of Hamilton is to open a branch in Winnipeg in about a week, to be known as the Portage and Carlton branch, Winnipeg, under the management of H. A. Gray.

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DIVIDEND NOTICE

NOTICE is hereby given that a dividend of one per cent. (1%) for the quarter ending September thirtieth, 1919, has this day been declared upon the Capital Stock of this Company, payable on Wednesday, the fifteenth day of October, 1919, to Shareholders of record at the close of business September thirtieth, 1919.

By Order of the Board of Directors.
F. E. McNALLY,
Assistant Secretary.
Montreal, September 22nd, 1919.

NEWS AND VIEWS FOR MANAGERS

EXTENDING THE BANK'S SERVICE TO THE FARMERS

How the Manager Can Make Friends of Customers

COMMUNITY WORK

Idea is Growing in the United States That Every Effort Should Be Made to Bring About Prosperity

The bank manager is coming to realize more and more that his duties towards his customers are not limited to accepting their deposite at one time and making loans to them at another. This has been generally accepted by the city bankers having to do with industrial and commercial accounts and now the managers of the country branches are seeking opportunities to render service and to become a factor in the success of their clients by giving counsel and advice on matters having to do with investments, business undertakings in connection with the conduct of the farm, etc. Progressive ideas along this line were put before the convention of the Financial Advertisers' Association at New Orleans by J. G. Conway, secretary of the Southern Trust Company.

—*J. W. T.*

The modern banker has seen that to be successful himself and to make his farmer client successful, he must lend him more than money, he must lend him his time, his counsel, his advice and his friendship, and in so doing he has found his interest returns have been materially increased. Coming as I do from an agricultural country, I have seen the plan tried out of lending more than money to the farmer and I know that it is a success and I should like to tell you in a few words something of the work we are doing in our state, for every one of us is directly or indirectly affected by the success or failure of our farmers.

The bankers of Little Rock, my home city, realizing the importance of aiding the farmer with counsel and advice, joined hands with the other business men of the city and state, and through the Little Rock Board of Commerce in 1914 formed the Arkansas Profitable Farming Bureau, which to date has kept up and is keeping up a persistent campaign throughout Arkansas to make farming more profitable.

The object of the bureau is to make Arkansas a land of prosperous farmers. It is working to secure the adoption of such methods of farming as will make every Arkansas farm have an average cash income of not less than $1,500.00 each year and in addition, each farm to supply its own needs for food and feed, which will mean the increasing of the cash income of the State 300 million dollars a year.

Farmers and Prosperity

The Government, state and county agricultural forces are the leaders of the farmers in this movement. The business of the Arkansas Profitable Farming Bureau is to secure for these official agriculturists active and strong support of every bank, business house, manufacturing establishment and professional man in the state and to make the people of the state realize that the success and prosperity of each individual, community, school district, township, county and the state is dependent upon the yearly profits from our farms.

The work of the Arkansas Profitable Farming Bureau unlike that of the representatives of the agricultural departments of the Federal Government and of the state, is not directly with the farmer, but with the bankers, business men and merchants throughout the state, who in turn work with the farmer, and through their personal influence and touch, are able to pave the way for the official agriculturists to teach the farmer and show him profitable farming methods.

The cost of operating this bureau is $18,000 per year and it is financed wholly by subscriptions from the members of the board of Commerce, pledges having been made covering a vigorous campaign for 3 years.

Cotton is Arkansas' greatest asset. Arkansas cotton commands a premium in every market of the world, because of the superior length, strength and fineness of its fibre. The bureau is working to get the annual production of cotton in the state doubled with a considerable decrease in present acreage through practical systems of farming that will more than double the present acreage yield per year. We expect to create such a strong sentiment throughout the state that no land will be planted in cotton that will not produce in an average year half a bale per acre.

We are undertaking to have the farmers of Arkansas within 5 years to increase their hogs until they will permanently keep one million brood sows that will have two litters a year. This will mean the marketing of each year of 12 million fat hogs.

Most of the women and girls on the farms have no spending money. We are using every means at our command to stimulate the raising of poultry on the farms until the average income each year from poultry and eggs for the women in each farmhouse will be $300.00 or more. This will add 60 million dollars to the yearly farm income of the state.

Dairying is being promoted in every community where the farmers own families can furnish the labor. Strong encouragement is being given to sheep raising in every community where a sufficient number of farmers will go into the busines to create a community sentiment for protection against dogs and the production of wool and fat lambs sufficient to secure profitable marketing.

Increased Wealth

With these things accomplished and many others which we are bringing to the attention of the farmers, Arkansas will receive for its products each year $300,000,000 more than it is now getting, an average increase of $4,000,000 yearly for the farms in each of the 75 counties. This gain, we figure, can be made in 5 years with the farmers, bankers, merchants and professional men working together.

Our purpose will be accomplished only when every farmer in the state, no matter how large or small his farm, has an officer in a bank as his confidential business adviser. The bankers should visit each of his farm customers frequently and discuss on the farm with the farmer the methods that each year will secure a substantial increase in receipts and profits over the previous year. One farmer may be able to make the largest profit by gradually increasing his herd to 100 brood sows, while his neighbor may find it best to keep only two sows and increase the number of beef or dairy cattle. One farmer may make the greatest profits from an increase in the crop of alfalfa, wheat, corn, peanuts or other special crops, while his neighbor could not expect to add to his profits by raising any of these crops. It is the bankers' business to become so closely acquainted with the farmers and farms of his county, that he can intelligently help each to raise the crops and animals that will bring the largest annual profits.

Make Farmers Friends

Every banker should become the friend of the families of his farm customers that he may receive their backing to stimulate the farmers. The banker should give his personal help at their homes to the mothers and daughters to increase the poultry until the women of the farm will have for themselves from it a cash income of not less than $300.00 a year.

The banker should get hold of the farmers' boys and girls and keep them earnestly at work in pig, poultry, calf, cow, corn, canning and other clubs.

He should attend social and business gatherings in the rural committees in his territory and use the powerful influence that he has to help build rural committees more attractive to the young people than the cities.

The conditions which exist in Arkansas are practically the same throughout the Southern States, and what has been done and is being done in Arkansas to make farming more profitable can well be applied throughout the South, and in fact, in every agricultural district. The banker, whether he is entitled to it or not, is looked upon as a leader in his community and the obligation is his to do all that he can to contribute to the happiness, success and prosperity of his neighbors, and certainly no greater field is open to him than that of making farming profitable, so in discussing farm loans I have diverted from my subject to urge you, as fellow bankers, to give some thought to the lending of counsel, advice and friendship to your farmer client, in addition to the lending of money.

BANK'S GOLD SUPPLY

Some Statistics As to Location of Supplies in Europe

By the latest reports received the National Bank of Germany holds $309,000,000 less gold than it held a year ago; the Bank of Italy, $30,000,000 less; the Bank of the Netherlands, $27,000,000 less, and the Bank of Austria's total of $50,000,000 is practically unchanged. On the other hand, the Bank of England now holds $102,000,000 more gold than at this date in 1918; the Bank of Spain, $41,000,000 more; the Bank of Switerland, $17,000,000 more; the banks of Norway and Sweden, $19,500,000 more; the Bank of Greece (including balances abroad), $150,000,000 more, and the Bank of Japan $25,000,000 more.

MAKE THE BANKS LIGHT AT NIGHT

Agitation at Vancouver to Bear Fruit—A Question of Policy Involved

Some months ago there was taken up on this page the question of the advisability of banks lighting up their premises more in keeping with other establishments in the retail sections of our towns and cities. A complaint from Vancouver was made the basis of the article.

Following information given out by Peleg Howland, president of the Imperial Bank, when in Vancouver recently, it would appear that something is to be done in connection with the matter. The World says:

"Why don't you light up the front of your bank?" said a World reporter to Peleg Howland, of Toronto, president of the Imperial Bank of Canada, at the Hotel Vancouver.

"How and why?" asked Mr. Howland.

"Well, every corner in the town is taken up by a bank that looks like a cavern of gloom at night. Your own main bank has four pretty lights in front of it and they are never lit. The Merchants at Pender and Granville is the only one in town really lit up. The Board of Trade is even passing resolutions about it."

Mr. Howland beckoned to Mr. Lay, manager of the main office of the Imperial in Vancouver. He joined the gathering.

"Well," said he in self-defence, "the Canada Life owns those lights and I can't light them. But I light up inside every night."

Mr. Lay beckoned to Mr. Fred Thompson, manager of the Hastings and Abbott branch of the Imperial, and he joined the gathering.

"Great idea," said he, "I'm going to light up my bank. Had the plans made some time ago. Some sort of flood light arrangement. Sure, the banks ought to be lit up like they are in Seattle."

"But don't get the idea that it was never thought of before," said Mr. Howland. "We talked about it at Saskatoon. The idea is a good one and I approve of it."

The matter of using more electricity to prevent the banks from being the gloom spots on the street at night might well be considered as one of general policy.—J. W. T.

G.W.V.A. DEMANDS SERIOUS PROBLEM FOR GOVERNMENT

Continued from page 1.

double that amount. They are anxious to see the matter go to arbitration, apparently on the expectation that they might find themselves rid of the Grand Trunk Pacific obligations while still retaining the better paying Grand Trunk with its United States connections.

There are other railway demands being made on the Government, including that for assistance to the Edmonton and Dunvegan Railway, in which the only visible successor to the mantle of Mackenzie and Mann, Mr. J. D. McArthur, is heavily interested. About 15 millions have already been invested in this proposition, including, it is alleged, 3 million dollars by Mr. McArthur. Some time ago an effort was made to have the road taken over by the Government and made a part of the Canadian National Railway system. Now it is understood that Government aid is being asked for its completion, both the Alberta Government and Mr. McArthur being at the end of their resources. Over 450 miles of the road were completed when the war interfered; and unless the comparatively small part yet to build is gone on with, the whole investment will to a large extent go to waste.

The Government seems not indisposed to take it over, if it could secure the means; but if it does so. there will at once arise the cry that another road, the Hudson Bay, has also been in the same position for a longer time. This road has been built from both ends, and a gap of about one hundred miles in the middle makes it, also, useless. It is hard to see how the Government can justify the completion of the one road unless it completes both: but it involves many more millions. The whole railway situation in Canada is a very serious one for any Government to handle at the present time. —T. M. F.

CO-OPERATIVE BANKS

Fifteen of Such Institutions Operating in States

K. F. Bergman, of the Gammon Industrial System Co., of Detroit, Mich., is in charge of the organization of a co-operative industrial bank at Akron, O., which will operate along the lines which have been developed by A. S. J. Gammon, of Norfolk, Va. There are already 15 banks operating on this plan throughout the United States. The plan is much similar to many co-operative banks in Europe. It acts as a clearing house through its credit bureau for the accounts of workers with merchants and others, and money is loaned to workers on the weekly payment plan.

The Solvency of the Allies

Great Britain—France
Belguim—Italy

THE RESOURCES and potential productive power of the principal European Allies as a basis for future credit are discussed in *The Solvency of the Allies*—a booklet which we have just issued.

This booklet, in considering the financial position of Great Britain, France, Belgium, and Italy, takes account of their natural resources, economic possibilities, and specific problems.

Investors, exporters, importers, and others will find this booklet of especial interest, as it gives an estimate of the inherent economic strength of these countries in its bearing upon their credit position. The booklet is available at any of our offices.

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Has Done Good Work
Ontario Temperance Act
A Great Benefit to Province

THE Ontario Temperance Act has reduced crime by over one-third and drunkenness in public has practically disappeared.

Alcoholic insanity has disappeared.

Gold cures and alcoholic institutes for treating alcoholism have been closed for lack of patients.

Ontario has been saved an annual drink bill of $36,000,000, enough to pay our share of interest on the War Debt.

Many victims of alcohol three years ago, thank God to-day for the Ontario Temperance Act.

Abraham Lincoln
"The Liquor traffic is a cancer in society, eating out the vitals and threatening destruction, and all attempts to regulate it will not only prove abortive but will aggravate the evil. It must be eradicated—not a root must be left behind."

To repeal the Ontario Temperance Act would be a calamity. The amendments would make it practically worthless. To every question on the Referendum vote NO.

Drink is a Cancer

Doctors, Alienists, Criminologists, Insurance Actuaries, Statesmen, Generals, Big Business Men, and Social Workers agree that alcohol as a beverage is a racial poison and a national curse.

British Columbia, Alberta, Saskatchewan, Manitoba, Quebec (excepting beer and wine), New Brunswick, Nova Scotia, Prince Edward Island and Newfoundland have enacted prohibition.

The United States is permanently "dry."

France has abolished absinthe, Scotland has now a local option law, England is initiating a great campaign for temperance reform. The movement is world wide.

Ontario must go forward, or be left behind, but be careful

Mark Four X's
(One X under each NO)

Ontario Referendum Committee
JOHN MACDONALD, *Chairman.*
D. A. DUNLAP, *Treasurer.*
ANDREW S. GRANT, *Vice-Chairman and Secretary,* (1001 Excelsior Life Bldg., Toronto.)
56

THE FINANCIAL POST

Members of the Audit Bureau of Circulation.

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Manager - - - - GORDON RUTLEDGE.
Editor - - - - - - J. W. TYSON.

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TORONTO, OCTOBER 11, 1919

WILDCATS AND VICTORY BONDS

THE condition of the financial atmosphere has long been favorable to the ripening of a lot of plump plums for poachers in the prosperous garden of speculative investment. In the United States, the successful raids of oil and other nervy stock manipulators have shown how easy is the picking and how bountiful the crop on the same old trees. In Canada, several raids have been frustrated by the activities of Attorney-General Lucas, of Ontario, but after all, it is difficult for the law to raise a fence—and the authorities to patrol it—which will offer every protection, particularly when the crop is so big that juicy, tempting fruit is actually hanging outside the barriers waiting to be plucked.

The situation to which attention is directed is that by setting the same old bait on the same old trap, promoters are catching the public in the same old way. The serene stupidity of those who are caught is only equalled by the other fools who rush in where angels, etc. Unfortunately, it is those who can least afford it who are usually the victims. The small investor thinks that because of his little stake, he must make big profits. As a matter of fact, it is he who can least afford to take chances. This is effectively argued in an editorial: "The Wildcat's Kittens—which are wildcats, not sables," in the *Saturday Evening Post*, of even date:

> Investors are continually reminded that they will never get rich if they do not take a chance. The rule works the other way. Only after a man is rich can he afford to take chances. And, as post mortems on strong boxes show, once a man ventures out of the business field with which he is familiar he makes a loss oftener than a profit. But millionaires do not take their chances in advertised stocks. There are some exceptional cases of poor men who have made money out of one of them, just as there are men alive who won the capital prize in the Louisiana State Lottery. Flyers for rich and poor alike usually end in a nose dive and something bent or busted. The only businesses in which a poor man can afford to take a chance are his own business, the one he really knows all about, or some tried and seasoned concern about which he has trustworthy information. And no matter whatever else he holds, he should buy into that great public business in which he has a directing vote—the United States Government. Liberty Bonds are to-day on a sound investment basis. Shrewd investors of large means are buying big blocks of them. It is axiomatic that the smaller a man's savings, the smaller the chance he can afford to take with them.

The advisability of the small investor seeking a safe proposition for his funds and taking a reasonable return rather than making an effort to get rich over night, can be particularly emphasized on the eve of the Victory Loan campaign. The little fellow and the big fellow, the experienced investor and the inexperienced investor all get the same treatment. The Governmnt lets everybody in on the ground floor—and there is no basement.

THE HYDRO AND THE PROVINCE

THAT the latest move of Sir Adam Beck into the middle of the floor of the house did not take the Hydro-Electric out of politics, but merely made it the football of both—or all—parties by taking it away from the one which has so far championed it, was the opinion expressed by THE FINANCIAL POST last week. That great public ownership advocates, the Toronto *World*, resents any inference that the Hydro is not entirely free of politics and recklessly goes to the length of declaring that THE PROVINCE IS SECURED BY THE MUNICIPALITIES BEYOND THE POSSIBILITY OF LOSS.

Such a statement from one possessing the financial and economic idiosyncrasies of the Toronto *World*, does not cause surprise, but when it is merely a repetition of what has been stated by such a responsible paper as the Toronto *Globe*, it is deserving of attention.

The Hydro financing has been carried out on the credit of the municipalities with the backing of the Provincial Government—the latter being an important factor as indicated by the rate of interest paid as compared with that in connection with the average municipal issue. Neither the municipalities nor the Province may ever be called upon to shoulder the liability involved, but municipal experiences in the fifties in "Upper Canada" and the repudiation of the Grand Trunk Pacific bonds are sad reminders of the possibilities which have to be considered.

Of course the *World* and the *Globe* would contend that in the event of the Hydro getting into financial difficulties, the municipalities would have to face the responsibility. But what assets have the municipalities to do so? Most of them are already burdened with debt. The Province would then have to make good as guarantor. It was realization of this which was responsible for the objections to Beck financial methods by Provincial Auditor Clancy, which led to an inquiry in the House and eventually to the Hydro books being removed from Mr. Clancy's supervision. It has been realization of this also, which has evidently led to the cautious attitude of the Hearst Government and to the decision of Sir Adam to assume a position where he can call on whatever party may be in power, with the lever of being able to at once appeal to the Opposition. Being in the centre of the floor is certainly the commanding strategic position.

The theory that the municipalities can have the backing of the Province without affecting the credit of the Province is one which may satisfy public ownership enthusiasts, but it meets immovable opposition in any known system of sound finance. This point is discussed in a recent issue of *The Bond Buyer*, New York, from which we quote:

> The lending of the credit of a State, or in Canada, of a Province, in aid of its municipalities is often suggested by factions desirous of finding the means to enable cities or counties to finance projects not justified by their financial resources. But we have never heard any very convincing arguments in favor of such a proceeding. States, counties, cities or other municipal entities should stand on their own financial feet. If the cities of New York use up the State's credit the State cannot also use it.

And not only has the Hydro been aided by Provincial credit, but it was actually brought into being and reared to its present state by means of Provincial legislation. To say then, that such a project can be taken out of politics is to ignore the facts. The Hydro needs the Government to-day as much as it ever did. Therefore, it is a great political factor. That Sir Adam Beck does not care which party forms the Government, so long as he bosses it, does not alter the situation—it only aggravates it.

THE EFFECT OF THE GRATUITIES

THE gratuity proposals continue as a live issue at Ottawa. It is evident that the veterans will require to be convinced that it is not economically or financially possible for the Government to meet their requests before they will desist in their efforts. In this, they will have wide sympathy, for we believe that the great majority of the Canadian people are of the opinion that everything possible should be done for the returned men and that they should have an opportunity to see the course that is best for the whole country—themselves and their families included.

THE FINANCIAL POST has already advanced a number of arguments tending to show that the granting of large gratuities would not only mean a temporary postponing of the inevitable readjustment, but would add a financial burden to the country which could not be borne with safety at this time and would in the last analysis react upon the great mass of the people through tax burdens which would bear heavily upon the individual and at the same time stifle industry.

These arguments have been substantially endorsed in the address of Sir Thomas White, emphasizing difficulties which face any scheme of raising the necessary funds which seemingly render the proposals as impossible from the financial standpoint.

Similar arguments are being advanced in connection with the demand for another bonus for American soldiers who saw service. The U.S. Government, it is claimed, by Representative Platt, cannot pay another large bonus without causing further expansions of credit and inflation of currency that will bring higher prices. Another bond issue would, in the opinion of Mr. Platt, bring higher taxes and increase the inflation of the currency to a dangerous limit. Further:

> "If we should adopt such a policy, whether to pay a so-called bonus to the splendid young men who have survived the great war and are now back in their former civil occupations, or in pursuance of some of the other extravagant ideas of governmental activities that have their advocates, we would put back the wheels of progress a year or more. Another great bond issue would be necessary, just when the Treasury Department is making everyeffort to avoid such steps.
>
> "Further increases in the tax burdens of the country would doubtless be necessary. There would be further inevitable inflation of credit and currency, and instead of reducing the cost of living, toward which we have made some start, we should start prices mounting again. For my part I do not believe that any considerable number of returned soldiers would want us to do that, if they understood the situation, and I think that a great many of them do understand it, because comparatively few have been influenced by the propaganda which has been so persistently carried on among them by those who are advocating this so-called bonus."

From the standpoint of amount involved on a per capita basis, as well as from the standpoint of available wealth, it must at once appear that if there would be serious consequences to the adoption of the gratuity proposal in the United States, the effect in Canada would be grave indeed. And as pointed out by Hon. J. A. Calder, Chairman of the Committee on Soldiers' Re-establishment, the difficulty is that this is but one of many directions in which the Government is facing demands for funds; if the gratuities are granted and another wave of inflation started, there will be many other calls upon the Government. The country might well ask with Mr. Calder: "What will be the ultimate end?"

EDITORIAL NOTES

THAT the abolition of the whole scheme of excess profits taxation would be a great step towards the reduction of the cost of living, is the opinion of William B. Colver, member of the U.S. Federal Trade Commission. He argues that there never was so bad a device in business as the device called "cost plus" and that the excess profits tax is in its essence a "cost plus" scheme.

* * *

IN replying to THE FINANCIAL POST'S contention, that the Government should "curb the dangerous propagandists now at work in Canada," the Saskatoon *Phoenix* argues that we evade "the question as to who is to decide what is dangerous propaganda and safe propaganda." This, we submit, can be overcome by the simple expedient of enforcing the law.

* * *

THE *Grain Growers' Guide* recently paid a high tribute to the stability and service of the Canadian branch banking system, when it said:

> "In response to a circular letter sent out on July 18 from the central office of the United Farmers of Alberta in regard to the seriousness of the situation created by the feed shortage in large areas of the West, the men at the head of the different banks have written letters giving every promise of sympathetic consideration to the needs of the farmers borne upon heavily by the calamitous conditions referred to."

* * *

THE insistence of the Germans in carrying out their policy of "peaceful penetration," is shown by an incident that occurred at the Danish Industrial fair last week. All foreign goods and foreign advertisements were excluded from the fair, which was held at Fredericia, Denmark, but Germany endeavored to overcome this obstacle by erecting advertising signs close to the entrance of the fair and establishing a bureau of information outside the grounds to give information concerning German trade connection.

CAPITAL AND LABOR—THE PROBLEM OF THE AGE

Dr. Charles A. Eaton, a Canadian Who Played a Big Part in U.S. War-Time Production, Writes of the British Situation

Dr. Charles A. Eaton, who contributes the following article to the London *Times*, is a Canadian by birth and was long well known as the pastor of Madison Ave. Baptist Church, New York. At the beginning of last year when the United States were being urged by the British Government to build cargo ships for the purpose of winning the war, and manual workers were not entirely responsivle, Dr. Eaton was called upon by the United States Government to organize a national service section of the Shipping Board. As chief of this department, he had a large degree of responsibility for the wave of enthusiasm which swept through the country and resulted in the construction of badly needed tonnage in an extraordinarily short period. Parties of British soldiers and American preachers were organized to address the workers in the yards. In this task of addressing the men Dr. Eaton himself excelled. Accompanied by Charles M. Schwab, director general of the Emergency Fleet Corporation, and Charles A. Piez, the general manager, he addressed the workers and was treated by them as a real friend.

In a recent issue of *Leslie's Weekly* the editor described Dr. Eaton as a reconciler of differences between capital and labor and stated that he was acting as expert counsel for the establishment of the principles of democracy in large institutions.

In accepting the invitation of the "Times" to discuss the present industrial situation in England, I shall confine my observations strictly to those aspects of the case which are common to Britain and America. The acute social problems now pressing for solution in both countries have grown out of our common effort to apply the principles of political democracy to economic and industrial conditions created by an age of mechanical industrialism.

In both countries we begin to see that the new organ of civilization is industry. For hundreds of years our English-speaking race has been struggling to establish political freedom in every corner of the earth. We now find ourselves at the threshold of a new age, with new nucleating energies creating a new quality of social structure. The question is, can we, under these new conditions, go on and build our free societies upon those ideals of democracy which have been the great contribution of our race to the progress of mankind; or must we abandon our ancient ideals and adopt some insane dream like Russian Bolshevism, or some impossible mechanical makeshift like state Socialism?

I belong to that great body of Americans who believe that the future well-being of the world depends very largely upon the fidelity, intelligence, and persistence with which the English-speaking peoples continue to work out those ideals of democracy which constitute at once the glory and genius of our race. For this reason we in America follow with keen and sympathetic interest the unfolding drama of British life, knowing ful well that whatever makes Britain strong will in the end strengthen America, and wherein England fails America, too, will fail. We stand or fall together, because we are builded upon the same foundations of principle and draw nourishment for our social progress from the same spiritual source. And our responsibility is deepened beyond measure by the fact that those ideals and principles which constitute the genius of our race have been victorious in the great war and are now seeking to get themselves enthroned in every land and in every section of society.

I am not surprised to find unrest and uncertainty here. Indeed, after the unbelievable strain of the past five years it is surprising that there is so little dislocation of the national life. You have borne with utmost fortitude the brunt of the most frightful war in history. You have poured out your treasure until widely separated fronts. You have fought to a triumphant finish half a dozen great wars on far distant and widely separated fronths. You have met the most scientific foe in the world with a scientific resourcefulness that has absorbed and diverted your best intelligence from problems of domestic well-being. You have kept open and free the seven seas. You have financed your allies and yourselves. And you have plucked from your homes and hearts a million of your sons that they might purchase with their priceless lives the freedom of the world.

British Pulse Stronger

An effort so prodigious and costly might well have left the nation prostrate. But your political fabric is unshaken. Your economic and industrial resources remain, needing only to be wisely used to ensure prosperity. Your people are weary, as well they may be, and sorrow has chilled the old enthusiasms, but the British spirit is unbowed and the British pulse is strong.

The danger that threatens to destroy the world to-day lies in the realm of the spirit. Ignorance and ill-will, inflamed by a materialistic conception of life, are marshaling the brute force of money against the brute force of numbers for a fruitless struggle in which both will be destroyed. Germany went mad because she fed her soul with lies. Russia is being led by lunatics into irretrievable ruin. And the very ideas that have made Germany a charnel-house and Russia a chaos are now finding rootage in England and America. The only cure for ignorance is education, and the only remedy for ill-will is a moral transformation.

Believing that the whole world has entered upon a new age which calls for new standards of value, new conceptions of truth and duty, and new tasks and tests in every realm of human endeavor, I venture, with full consciousness of their inadequacy, to offer a few suggestions towards a solution of our most immediate difficulties.

First of all let us raise the question as to how much of the old machinery of life we can carry over into the new age. When a geologic cycle in which water covered the earth changed into a period wherein dry land became a fact, animal and vegetable forms of life had to readjust themselves to the new conditions or perish. We may as well face the fact that the world of human institutions has just passed through a similar experience. The new element which will determine the next cycle of history is the emergence of the masses of men into self-consciousness. Henceforth all legislation, all thinking, all industrial organization must be conceived in terms of all the people.

In England Labor has proclaimed its unalterable determination never to go back to its pre-war economic status. It never will. Neither will capital, with or without proclamations. In Russia the masses stood up and thought they were free. They have fallen into the hands of a tyranny more hateful and bloody than any political Tsar. But the fact remains that in every land the whole people are thrilling with a new sense of selfhood. And this is why democracy, which is a scheme of life in which the whole people participate upon equal terms, is being accepted everywhere as a theory, although it is failing often as a practice.

The Class Struggle

It seems to me self-evident that this new awakening to self-consciousness of all the people calls for some better instrument of expression than the class struggle which has characterized the past generations. If capitalism has been the instrument of a class, it must now become the instrument of all. If the capitalistic system cannot become the economic organ of all the people it will cease to exist. The labor union has been the necessary and useful organ of a class. If it has in it a universal value it may become the organ of all the people. Otherwise it will have to be abandoned. From now on no man can claim special consideration because he is a working man or an employer. He must rest his rights upon the fact that he is a man. And his rights will have no value except in so far as they are sanctioned by his duties.

While these larger and elemental truths are working their way into the minds of men certain practical realities must be dealt with. For five years this nation has been engaged in spending money upon non-productive effort. No building or repairing could be done. Production fell to a minimum except for war uses. Now the country faces the absolute necessity of work being done—simple, plain, everyday work that has as its object the production of houses and clothes and food and machinery and fuel, and all the ordinary necessaries of life. I see no way of getting this work done by Act of Parliament or by fine programmes of social reform or by strikes and lock-outs, or even by hearings before learned commissions. The only way to get coal is to dig it out of the mine. Food cannot be produced by any conceivable change in land tenure. It must be grown in the fields or bought from distant growers by an exchange of goods produced by work. There is no substitute for sweat. Work is paid for by the community because it furnishes the community with something that it wants. If the worker produces all of a commodity that the community needs he is a useful public servant and is entitled to full and fair reward from the community for full and fair service rendered. If he will not produce his share of what his country needs, then some one else must take his place. And this is true of every class of worker.

Coal Production Problem

I have been greatly impressed by the many signs that England will suffer this winter from lack of fuel. According to an English authority the average yearly output for a British miner is 226 tons, while for an American miner it is three times that amount. These figures raise the question not as to what will become of the miner or the mines, but what will become of England. An American contractor is erecting rolling mills in England. From the same blue prints he has let contracts in Pittsburg, Youngstown, Ohio, and in England. He is paying 50 per cent. more for the same article made in England for use in England than he pays for it in Youngstown. And the workman there is receiving 30 per cent. higher wages than here.

If I were an Englishman I would be gravely concerned over these facts. The English working man is as good as the best. In mining and the steel industry he is not competing with men of his own breed, except in part; for a lage proportion of the iron and mine workers of America are from central and southern Europe. Why should a Pole or Slav in America mine more coal or produce more steel products than an Englishman in England? Is it a question of machinery or method, or is it a state of mind?

I would not venture an opinion upon matters at issue between miners in England and their employers, but as a general policy for this time I can see only one thing for any man who loves his country, and that is to get to work and stay at work until the danger is past.

I shall follow with eager interest the proposal to nationalize British mines. In America many of us used to believe the Government could do railway running and mining and some other things better than could private interests. We don't think so now. The war has cured us. The other day when the railwaymen, who are a very high type of workers, demand nationalization of the American railways, they were met by a storm of protest from all classes, workmen included. We are afraid of bureaucracy and red-tape and taxation to make

Continued on page 11.

PERSONALS

LT.-COL. W. CLARK KENNEDY, V.C., C.M.G., D.S.O., who is general manager for Canada of the Standard Assurance Company, has been chosen jresident of the Victoria Rifles' Reserve Association.

F. E. MEREDITH, K.C., of the Montreal legal firm of Meredith, Holden, Hague & Shaughnessy, has been elected to a seat on the board of the Bankers' Trust Company.

EDWARD STONE, who has been general agent of the Pacific Ocean Services at Yokohama since March, 1917, has been appointed general advertising agent with headquarters at Montreal. Mr. Stone joined the staff of the C.P.R. in 1916 as booking agent at Chicago.

OTTO H. KAHN, of Kuhn, Loeb & Co., New York, will resume occupancy early next year of his house in Regent's Park, London, which he placed during the war at disposal of St. Dunstan's for its work for blinded soldiers. This was one small item of Mr. Kahn's many patriotic contributions.

HANSON BROS., Montreal, announce that Lieut.-Col. E. Gerald Hanson, D.S.O., and Major W. G. Hanson, M.C., have been admitted as partners in this firm. The business will be continued as before, under the name of Hanson Bros.
POST—PERSONAL

C. W. CHADWICK, who died at Islington on Wednesday, was president of the Colonial Realty and Securities Corporation. He was once a school inspector at Stratford, Ontario, and later was with the Dominion Life Insurance Company before going into the real estate business.

SIR ERIC GEDDES, Minister of Transport, who has been a strong man on the Government side fighting the railway strikers, it is asserted, was a bartender in the United States. Sir Eric smiled enigmatically when asked for further details. He undoubtedly has had a varied career, and so far as his British record goes began to climb the railway ladder as a junior clerk in Yorkshire. Those who know him intimately confess that Sir Eric can mix excellent cocktails.

GEORGE S. CAMPBELL, of Halifax, who once again has been chosen as chairman of the Victory Loan organization for the Province of Nova Scotia, is head of G. S. Campbell & Co., steamship agents. He is also a leading figure in the industrial and financial life of the Province, being a director of the Nova Scotia Steel & Coal Company, the Bank of Nova Scotia, the Eastern Trust Company, etc. His advice is sought constantly in educational affairs, and he is at present chairman of the Board of Governors of Dalhousie University.

LORNE C. WEBSTER, President of Quebec Railway Light, Heat & Power Company, is securing directorial honors more quickly than any other man at the present time in Canada. It was only a few days ago that he was added to the Board of the Montreal Tramways Company. This week he became a director of the Bankers Trust Company, which is intimately connected with the Merchants Bank, with which Mr. Webster became a director a short time ago.

C. S. EVERETT, superintendent of agencies for the North American Life at St. John, N.B., completes his twenty-fifth year with the company Saturday, October 11. When Mr. Everett was first appointed in 1894 he acted in the capacity of inspector. He was later promoted to district manager and in 1905 was appointed joint provincial manager for New Brunswick with H. S. Wright, with headquarters at St. John. In 1911, being particularly fited by his ability, he was awarded the post of superintendent of agencies in the Eastern Provinces.

A. E. PARKER has been announced as managing editor of "Canadian Finance." Mr. Parker is well known in Western Canada as a financial writer and critic. His contributions to "Canadian Finance," which have been numerous in recent years, have been commented upon in a very favorable manner in all parts of the Dominion. He is also well known as a lecturer upon financial and business topics and a number of text books upon business administration and kindred subjects prepared by him have secured wide circulation. As vice-president and secretary of the Winnipeg Kiwanis Club, the new editor has many friends in business circles in Winnipeg.

GEORGE H. LEE, estates manager of the National Trust Company, Toronto, died on Wednesday morning. Mr. Lee had for some years been practising as a barrister in Toronto before joining the National Trust in 1913. He was born in Mount Forest fifty years ago. He was educated at Jarvis Street Collegiate, and, for the practice of law, at Osgoode Hall. As a student he was articled in the offices of Messrs. Nevell, McWhinney & Ridley, and after being admitted to the bar practised as an associate in the firm of Mulock, Crowther & Montgomery. Upon the retirement of Sir William Mulock he entered the firm as a junior partner, the name being changed to Mulock, Lee, Milliken & Clark. He continued his association with the firm until the end of 1912, and on January 1, 1913, entered upon his duties as estates manager for the National Trust Company.

JOHN WASHBURN, chairman of the board of directors of the Washburn-Crosby Company, died suddenly at his old home, at South Livermore, Me., on September 28. Mr. Washburn went to Minneapolis in February, 1880, and began his career in milling by a study of the manufacture of flour at the mills which were founded half a century ago by his uncle, Governor C. C. Washburn. In 1887 he became a member of Washburn-Crosby Company and up to the time of his death continued as a stockholder and officer in the management of that corporation. Besides holding these offices in the Washburn-Crosby Company, he was also president of the St. Anthony Elevator Company, president of the St. Anthony & Dakota Elevator Company, president of the Royal Milling Company of Great Falls, Mont., vice-president of the Minneapolis Trust Company, a director in the First & Security National Bank of Minneapolis, a director of the Chicago Great Western Railroad Company, and an officer in other manufacturing and financial institutions.

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SUGGESTIONS ON REQUEST

INVESTORS' INQUIRIES

Information under this head is given in answer to direct requests from investors who are readers of THE FINANCIAL POST. Many questions respecting securities are answered by mail direct. We would remind correspondents that it is now necessary to enclose 3 cents in postage stamps to cover postage on answers direct.

CANADA'S FUTURE

J. W. M., Lucknow.—Would like your opinion of the new Government issue. If Canada were taken over by the United States or any other country would this have any effect on the bonds?

There would not appear to be the least ground for apprehension regarding bonds issued by the Dominion Government in the event of Canada being taken over by the United States or any other country. Apart from the improbability of such a development in our national career, the holder of these bonds would, in the event of a change, stand in the position of the holder of a first mortgage on a piece of real estate. Nothing short of national repudiation would undermine the security of the Victory bonds, and we cannot foresee any possibility of that ever occurring in Canada. Despite the proportion of our national debt the available assets are such as to render groundless any fears as to security. It is, however, undoubtedly a fact that the people as a whole, will have to be more thrifty than they have been in recent years in order to give the Government necessary support in discharging the annual interest debt on the national loans.

DAVIDSON MINES

J. L. R., Toronto—Would you kindly favor me with some advice on Davidson Gold Mines from an investor's standpoint. I am considering investing in this stock. Have you an idea when it will be possible for Davidson to pay a dividend?

Davidson should be considered as a speculation rather than as an investment. The prospectus of the newly organized Davidson Consolidated Gold Mines, Ltd., which took over the 160 acres belonging to the old Davidson Mine, and added about 260 acres of surrounding property, is very optimistic regarding ore reserves. The company's engineers report 171,500 tons of available ore that can be brought up at the main shaft; the gold contents range from $8.00 to $19.00 a ton, thus giving the ore reserves a value of $2,486,110. This report seems to have been carefully prepared, and if operations can be conducted at reasonable costs there should be a substantial margin for the shareholders. The proposition should only be considered, however, by those prepared to face the usual fortunes of mining ventures.

LYALL CONSTRUCTION

J. L. R., Toronto.—Would you consider P. Lyall & Sons Construction Company a good buy, in view of a recently reported invention of an engine which, it is claimed, will revolutionize the automobile industry. Am I correct in assuming that this stock will rise eventually 100 or more points, or will the invention be worked out in a subsidiary company?

In reference to P. Lyall & Sons Construction Company and the new motor engine which has been invented at their plant, little definite news can be given at the present time. Our best information is that the invention will prove a very valuable one. It has received a thorough test at the factory and it will receive a test in the United States in the course of a few weeks. The device has been patented, we understand, in practically every country in the world with the exception of Germany and Austria—not the last two for obvious reasons.

You ask whether the stock will rise eventually 100 points or so. This is a matter on which we could not venture to express an opinion. Nor has it been decided yet whether the invention will be developed by the company itself or a subsidiary. If the invention proves all that those in close touch with the company appear to expect, there is no doubt that they will require anywhere from five to ten million dollars capital to develop it and it is probable in the ordinary course of events that a special company would be formed in order to facilitate the issue of securities. We are assured, in any case, that the returns will, in the long run, come back to the Lyall Company, so that if the invention is a success the common shareholders of the Lyall Company should reap a large benefit.

So far as the stock on the present movements of the past few days are concerned, you can disregard these as due, not, we think, to manipulation, but to the public going wild on the rumors that have been going round, for nothing connected with a motor stock needs much stimulus to stir up all kinds of fancy ideas as to ultimate values. These have, as you have probably no doubt heard, in gossip, gone up to $500 or $1,000 a share already. A few weeks' time, however ought to give some more definite news as to this invention, but in the meantime the stock will have assumed a more normal position than has been the case within the past few days, so that one will be able to judge more clearly its current value. There is no reason to doubt, of course, so far as the company construction programme is concerned, that the 8 per cent dividend would be discontinued or reduced. With the construction company as ably managed as this, and with the resources it possesses its future as a construction company should be bright altogether from the rather unexpected developments that have taken place in connection with this motor and a possible automobile that the company may afterwards decide to construct.

SPECULATIVE OPPORTUNITIES

S. M. G., Edmonton.—In your issue of August 23 you give a review of Brompton stock, and state that when about 25 points lower you advised holders to retain their shares, it being then on a five per cent. basis. Having some funds already invested in Brompton and some more available for some other good prospect I would kindly solicit your advice, and ask whether you know of any other industrial stock now paying dividends which has any such future as 5 per cent. Brompton before its recent rise, i.e., about 35. I do not mean, of course, that it should be this price, but that it be a good buy with a good future and at present at a low price?

Your inquiry in reference to any other industrial stock now paying a dividend, which has such a future as would give you a 35-point rise in the period that Brompton has, provides a contract which does not often come before us, and which seems to hold us up in the role of prophets, which we must disclaim. It would be a very rash man who would venture to predict a rise of 35 points in any special industrial stock, although there are many that we believe are reasonably certain of such an advance in the next couple of years, provided business conditions hold up fairly well.

First of all, we would like again to express our firm faith in the future of the Brompton stock which you hold. You will notice some flurries in this stock in the market from time to time, but part of this may be put down under the head of manipulation, not by inside interest either. We do not look for a rapid rise from now on in Brompton, as we understand the directors of the company have outlined a policy of further developments that will entail fairly large financial outlay in the next year or two. The stock is not likely this year, for instance, to increase its dividend, but may next year to 6 per cent., but not more. At the same time the plans of the directors are such that the outlay they are contemplating will prove a very valuable investment for the shareholders in the next few years. Under the careful and far-sighted management of Brompton that exists now, this company should, in a very few years, double or treble its earnings and is one of those stocks that we can feel reasonably sure will gradually appreciate in value for the investor. It is not stock that one would advise an entrance into for speculative purposes.

You ask in regard to other stocks that would be a "good buy" and at a fairly low price. We have a strong faith in pulp and paper stocks and feel that Spanish River common, which is selling now around 57, should be good for a hold of several years. The output of the company, particularly the newsprint, is certain to have a market in the United States, and any development that takes place in the company's production will increase its earning power.

Another low-priced stock, as stocks go, is the Wayagamack, which is now selling around 67. The recent rise in this stock would appear to have been manipulated to some extent, because we do not think the immediate prospects of dividend for this company are such as to warrant a rise of over 20 points in the stock in such a short time. This rise would be against your purchasing the stock at the present figures. Had it remained with a quiet, normal development and were now around 50 to 55 we would advise you purchasing it as an investment. So far the secret of the recent rapid rise has not become clear and in the absence of that we must refrain from giving any advice in regard to this stock at the present market price. For the future of the company we have little doubt. They have just given orders for new machinery, to the value of about $750,000, for the manufacture of kraft paper, for which they believe they will have a permanent market in England. The company is doing very well now and the last six months of its fiscal year will be a very profitable one. It will pay you to keep in touch with the company and stock quotations.

One of the stocks which you might consider rather too high-priced for buying now is Abitibi. It has just had a rise of 28 points, but we believe there is very good value in it also for a hold of a year or two or more. The company has unusually valuable assets in the way of timber limits, which are accessible, and its markets are assured.

Among other stocks which we can advise as a safe investment are the Dominion Textile Company, Penmans, Montreal Power, Canada Cement, Canadian General Electric, Canadian Cottons, Wabasso Cotton, or Dominion Steel Corp., Shawinigan Steel Co. of Canada, Nova Scotia Steel & Coal Co.

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LIMITED
MONTREAL
Toronto Halifax St. John London, Eng.

CAPITAL AND LABOR—
THE PROBLEM OF THE AGE

Continued from page 10.

up for losses due to the stupidity of political administration of public utilities. We are coming back to the good old British doctrine that the less interference from Government in industry the better. The best Government is self-government. One of the greatest delusions that ever darkened the mind of man is the theory that you can work the institutions of industry by means of a political machine.

Conditions in America.

Except for the vastly greater effort put forth by Britain in the war conditions are very much alike in America and here at the present moment. In both countries the masses of men have greatly improved their position during the war. Drastic taxation has taken the money from the rich and high wages have distributed it among the working classes. The middle classes are close to ruin because of high taxes, high prices, and little or no increase in salary. Trade and industry are more or less dislocated by new world conditions created by the war. Government interference with the business and liberties of the individual has grown like a cancer. And the fanatic faddist, anarchist Bolshevist is busy, day and night, seeking to create revolution, tear down tested institutions and usher in the millennium by killing the goose that lays the golden egg. We have in both countries wise and worthy leaders both among employers and employees. But these men, who are Americans and Englishmen first and class men second, are being pushed aside by wild extremists of the Trotsky type, whose ignorance of the laws of life is equalled only by their invincible aversion from work. I do not believe that either the radicals in labor or the reactionaries in capital represent their respective classes.

It has been my privilege to know American working men intimately, and I believe that as a class both English and American workers stand for honor, industry, thrift, and true patriotism. And certainly it is true that a fine new spirit is being manifested by the greatest employers of labor in the matter of industrial relations.

I do not believe that any policy can be devised, in the present unsettled condition of the world, which will work successfully for any length of time or in any large area. But I should be untrue to my deepest convictions were I to close this statement without frankly saying a few plain words about certain things that must be done here and in America at once if we are to escape economic chaos and serious suffering.

In the first place, employers and employees have got to get together on a basis of national service. It is plain treason for either labor or capital at the present time to advance their own interests by destructive and revolutionary strikes or cunning financial manipulation. The progress and prosperity of both depend upon the well-being of their country as a whole. Everybody must quit thinking in terms of a class and begin to think in terms of the nation. We must work for England just as our soldiers and sailors fought for England.

Work for Common Good

Let us face the fact that we never can go back to the old times; and let us find a way of all working together for the common good. This new attitude of mind is absolutely alien to the class hatred and materialistic madness that have come out of Russia to infect and bedevil the world. We need a spiritual awakening. You cannot make a permanent society by tying a bundle of selfish folk together with some rotten string of class or self interest. The destiny of man is in his soul, and we must find some way of driving out suspicion, envy, hate, and ill will before we can create just and reasonable social relations. The cure for ill will is intelligent self-discipline in a humane and moral conception of life. The way to get rid of a small idea is to put a big idea in its place.

Let us tell the truth to each other. has no more use for a "proletarian dictatorship" than he has for the rule of a working man as it is repugnant to his intelligence. If I were a working man the best ideals of the English-speaking [illegible] backwash from this madness is alien to The normal Englishman or American now as I was for many years of my life I should be deeply depressed by the desperate efforts being made at the moment of my country's need and danger to reduce my life to the stature of a weakling. I should be ashamed to be put in the position of asking for a six-hour day surrounded by an entanglement of legislative safeguards for fear that I get a smooch of coaldust on my nose or soil my fine linen by sweat. A man who must be protected by law from working more than six hours a day is too delicately organized to wear trousers. He ought to be garbed in petticoats and have a nurse to stand between him and the rude realities of a workaday world.

A mineowner is simply a trustee and servant of the nation. A mine worker is exactly the same. Every business is a social service, otherwise its profits are got by fraud. Every worker is a national servant, otherwise he has no right to demand wages from the nation for his work. A coalminer will risk his life without a moment's hesitation to rescue a drowning child from the river; but the same child may die of pneumonia this winter because the same miner for some inscrutable reason is permitted by his union to work only a few hours a day. This theory and this practice really have nothing to do with the needs, rights, or wrongs of the worker. They are the expression of a wild revolutionary purpose, which has its source outside England, to destroy the so-called capitalistic system by reducing hours and output to a minimum and increasing wages to a maximum. If the English-speaking peoples, through cowardice or inertia or ignorance permit this programme to develop they will richly deserve the ruin which will overtake them.

How to Win the Peace

The supreme need of this hour is for every one to quit talking and go to work. Let us take on faith, if we cannot believe it otherwise, that you cannot get more meat out of an egg than there is in it. Wages and profits both are paid out of production. And production is our only salvation to-day. For five years we have been destroying materials and men. The world's stock of food and goods is at its lowest ebb. It will take years of the most strenuous effort to get back to normal, let alone to create a surplus. There will be more than enough work for everybody, and everybody must work. Pinch off the social parasites whether they be cooties or humming-birds and put them to work.

Let those who are most skilful in preparing programmes for the salvation of the working man change over and take a turn with the pick or plough. If we make everybody earn what he gets it is reasonably certain that he will get what he earns. England won in the war. Can she win in the peace? I believe she can and will do it as she has done so many great things before — by hard, honest work and a square deal to every square man.

Despite the numerous deaths from influenza during the first few months of the present year, the death rate in Toronto for the nine months ending September 30 was the smallest in the city's history.

The New Victory Loan

Particulars will be announced October 27th. We will, as before, be ready to do anything possible to make it easy for you to subscribe.

Our instalment plan whereby you can secure bonds for an initial payment of $10.00 and monthly payment of $5.00 per $100.00 bond is again offered to help large and small buyers to take all they can.

Write us to-day for particulars.

GREENSHIELDS & CO.
Members Montreal Stock Exchange
Dealers in Canadian Bond Issues
17 St. John Street, Montreal
Central Chambers, Ottawa
71

SIMPLE PRINCIPLES OF INVESTMENT

Several pet theories of writers of works on "How to Invest" are challenged by the author of a new book just published. Thomas Gibson, in "Simple Principles of Investment" (Doubleday, Page & Co., New York, $1.50), while giving us a book that is primarily educational and advisory in its character, has been courageously guilty of apostasies, which to use his own words "must inevitably subject their exponent to criticism." Mr. Gibson strikes at the sanctity of first mortgages, denies the theory that safety of principle must decrease in the inverse ratio to the increase in income; proclaims the right of certain forms of speculation to be classed as investments, and prophesies the rehabilitation of railroad stocks.

Laying down simple rules on buying, Mr. Gibson advises particular attention to the following points:

1. Careful attention should be given to the character of the individuals or financial groups controlling properties in which investments are contemplated.
2. Records of past earnings, dividends, etc., should be examined.
3. Changes in control should be noted and investigated.
4. While both equations should be considered, the average investor is justified in giving more attention to earning capacity and income return than to so-called property value.
5. Prejudice against certain classes of stocks should be eliminated and each weighed on its merits.
6. Intelligent consideration of the future of any enterprise is vastly more important than the known conditions of the present or the records of the past.

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Canadian Government and Municipal Bonds

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Your banking business invited.

THOMAS F. HOW
GENERAL MANAGER

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THE BANK OF TORONTO

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A Trustee

with the facilities such as those possessed by this Company, is one which is in an eminently satisfactory position to deal to the best advantage with all business which may come before it. With Branch offices from the Atlantic to the Pacific, our customers' affairs, no matter in what Province, receive that direct attention which cannot but be conducive to their interests. We shall be glad to be of service to you.

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Investors' Information Bureau

Any subscriber to THE POST may write the Investors' Information Bureau for special information on any Canadian security, or other financial matter in which he may be interested. Inquiries are treated confidentially, and answered by mail. This service is free to subscribers, but inquirers should enclose stamp for reply.

NEWS OF THE BOND MARKET

VICTORY SELLING MEANS MORE NEW MONEY FOR LOAN

Situation Has Advantages for Non-Payers of Income Tax

PROSPECTS BRIGHTER

Outlook Now For $500,000,000—Ontario Organization Complete—Quebec Makes Progress

With the forthcoming Victory loan holding the right of way business in the bond market is pretty well sidetracked. However, there is always a certain amount of trading going on as "buying" is not "taboo," even though "selling" is. Apart from the further liquidation of outstanding Government issues on a profit-taking basis, this has for the most part been confined to continued absorption of foreign offerings, which are very attractive under the prevailing exchange conditions; the British National War Loan has been prominent in this connection.

Some improvement in tone in the Canadian market is reflected as the result of the strengthened situation in the American market for municipal bonds, although there is nothing like an active demand, nor, for that matter, a ready supply to meet it if such should develop. In the States there has been a better investment evident with regard to Liberty issues since the "dog" days of the summer, and this has affected both state and municipal issues. The "Bond Buyer" says:

> During the month it was evident that the market for municipals was strengthened by the splendid improvement in the Liberty bond situation and by the hesitancy on the part of investors to purchase corporation securities in the face of the serious industrial unrest in this country.

Victory Loan Prospects

The selling of outstanding Government issues has been extensive and helped to keep the market soft. However, it is generally realized that the committee is taking a hand in the matter and that the market is, therefore, in good hands. Not only large corporations and institutions, but also municipalities are realizing the advantage of selling at the present market and reinvesting in the new loan and from all standpoints this is considered better than converting, because it will mean that the premium will appear as new money. On the other hand, there is little doubt that the tax exempt issues will find a strong and rising market in the period of readjustment following the forthcoming campaign.

As the organization work progresses the confidence of those who have charge of the campaign is growing. As has been previously stated, there has been a feeling that the effort would not only be a hard one, but that the absorption of the issue of $300,000,000 by the public was actually to be doubted. Now the feeling is that the total will not only easily reach the objective, but that it will over-run the mark as in the past campaigns with a total of $500,000,000 now being predicted. That such a total is desirable from the standpoint will be strongly brought home to both large and small investors, as well as to corporations and institutions. As a matter of fact, practically all of the $300,000,000 of the objective has already been spent by the Government.

Municipalities Asleep?

It is rather surprising that despite the experience gained in previous Victory Loan campaigns there are some municipalities which have been caught "napping" and have been endeavoring to secure tenders with the market tightly closed. The Township of York, for example, has not been able to get tenders on an issue which it was desired to market, with the result that Solicitor Spence advised the council to borrow from the bank on a short-term loan. A number of other municipalities are in the position of having to take a similar course or endeavor to find a market of local investors.

ONTARIO ORGANIZATION

The Men Who Will Direct the Victory Loan Campaign

The organization for the Province of Ontario in connection with the Victory Loan Campaign has now been completed, the personnel of the executive and the various committees in connection with the wide-spreading and thorough selling machine being as follows:

Ont. Gen. Committee—G. H. Wood, chairman; Dr. A. H. Abbott, C. A. Bogert, W. C. Brent, J. E. Brethour, F. M. Chapman, F. J. Coombs, H. C. Cox, Major Hume Cronyn, M.P., Col. F. H. Deacon, W. A. Dryden, D. A. Dunlap, Sir Henry Egan, G. Tower Fergusson, Gordon T. Finch, Thomas Findley, C. W. Fleming, Brig.-Gen. J. A. Gunn, C.M.G., D.S.O., J. H. Gundy, H. J. Halford, Robert Hobson, H. V. F. Jones, J. B. Laidlaw, D. J. McDougald, W. A. Mackenzie, W. L. McKinnon, J. W. Mitchell, Tom Moore, J. J. Morrison, W. E. Rundle, F. D. L. Smith, Harry L. Stark, John A. Tory, H. R. Tudhope.

Executive Committee — G. H. Wood, chairman; G. Tower Fergusson, vice-chairman; W. L. McKinnon, secretary; F. G. Lawson, assistant secretary; Harry L. Stark, treasurer; G. Tower Fergusson, chairman finance committee; Col. F. H. Deacon, chairman employees' committee; Gordon, T. Finch, vice-chairman employees' committee; W. A. Mackenzie, chairman organization committee; D. J. McDougald, vice-chairman organization committee; C. W. Fleming, chairman business committee; F. J. Coombs, chairman publicity committee; W. C. Brent, vice-chairman publicity committee; J. H. Gundy, chairman special subscriptions committee; J. W. Mitchell, H. R. Tudhope.

Business Committee—C. W. Fleming, chairman; Harold A. Greene, chief of staff; Harry L. Somers, W. S. Hodgens, A. G. Mackenzie.

Employees' Committee — Col. F. H. Deacon, chairman; Gordon T. Finch, vice-chairman; F. E. Fisher, secretary; Isaac Bonner, Col. Harry Cockshutt, Thos. J. Dillon, Gordon C. Edwards, W. C. Franz, Brig.-Gen. J. A. Gunn, D.S.O., Robert Hobson, Gordon M. McGregor, R. O. McCulloch, R. S. McLaughlin, Tom Moore, Hon Frederic Nicholls, J. F. Paige, J. E. L. Pangman, George M. Reid, George H. Ross, T. A. Russell, N. W. Tovell.

Finance Committee — G. Tower Fergusson, chairman; Harry L. Stark, treasurer; W. A. Page, secretary; C. W. Fleming, E. Gordon Wills.

Ont. Organization Committee—W. A. Mackenzie, chairman; D. J. McDougald, vice-chairman; W. L. McKinnon, secretary; F. G. Lawson, assistant secretary; W. C. Brent, F. J. Coombs, Gordon T. Finch, J. H. Gundy, G. H. Wood.

Divisional Organizers — R. M. Bird, Georgian Bay Division; J. A. G. Clarke, London Division; C. E. A. Goldman, Central Division; J. L. Graham, Niagara Division; J. C. Hope, Erie, St. Clair Division; A. Montye Macrae, Lake Huron Division; J. B. McArthur, Northern Division; J. D. McTaggart, Ottawa Division; J. R. Mitchell, Ottawa Division; J. W. Mitchell, Toronto Division; H. C. Monk Ottawa Valley Division; Avern Pardoe, Jr., Thames Grand Division; J. E. Singer, St. Lawrence Division; E. B. Thompson, Bay of Quinte Division; P. A. Thomson, Hamilton Division; G. R. Warburton, Trent Valley Division; R. B. Young, Superior Division.

Publicity Committee—F. J. Coombs, chairman; W. C. Brent, vice-chairman; F. R. Graham, secretary; Dr. A. H. Abbott, C. G. Blair, Gordon T. Finch, J. J. Gibbons, L. R. Greene, Major John Inwood, W. A. Mackenzie, J. E. Macpherson, W. L. McKinnon, T. H. Roadhouse, F. D. L. Smith, J. G. Watson, Mackenzie Williams, W. E. Wilder.

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QUEBEC ORGANIZATION

Plans for the Campaign Are Now Well Advanced

Organization plans for the Victory Loan campaign in Quebec are now well advanced under the joint chairmanship of F. G. Donaldson, general manager of the Montreal Trust Company, and A. P. Frigon; joint secretaries are J. P. L. Stewart and Leon Trepanier, with A. Cross as general secretary. Cardinal Begin has warmly endorsed the loan and the Chamber of Notaries will accord the support of its members.

The provincial publicity committee is in charge of Emile M. Emery as chairman, with Gaston O. Dubuc and Gerald F. Morrow as vice-chairmen. For the City of Quebec the joint chairmen are: Hon. A. Turgeon and Maj.-Gen. Sir David Watson, with J. Arthur Larue as secretary. The divisional organizers for the groups of provinces are as follows:

Argenteuil, Labelle, Buckingham district, H. P. Thornhill; Ottawa, Pontiac, Temiskaming, F. J. Massicotte; Beauharnois, Chateauguay, Huntington, Soulanges and Vaudreuil, E. A. Ouimet and Hew. R. Wood; Champlain, Maskinonge, Portneuf, St. Maurice and Three Rivers, J. B. How and J. F. Boulais; Chicoutimi, Kenogami and Jonquieres, Lac St. Jean, R. G. MacKay and Henri George Gonthier; Chambly, Iberville, Laprairie, Napierville, Rouville, St. Jean, Eug. Panneton and V. E. Kerrigan; Bagot, Drummond, Nicolet, Richelieu, St. Hyacinthe, Vercheres and Yamaska, P. A. Masson and E. C. Alford; Arthabaska, Richmond, Brome, Shefford, Stanstead, Missisquoi, Sherbrooke, William Hanson and E. H. Begin; Beauce, Megantic, Compton, Wolfe, and Frontenac, F. W. Tofield and T. Langlois; Bellechasse, L'Islet, Dorchester, Lotbiniere, Levis and Montmagny, C. B. Hibbard and J. H. Boisvert; Bonaventure, Kamouraska, Gaspe No. 1, Matane No. 1, Gaspe No. 2, Matane No. 2, Rimouski and Temiscouata, P. B. Barrett and J. C. Grant; Berthier, Montcalm, Joliette, Terrebonne, l'Assomption, Two Mountains, J. A. McQuestion and L. Rochefort; Ile Jesus (Laval), J. B. Desrochers; Saguenay, F. W. Clarke.

BOND CAMPAIGN IN UNITED STATES

Canadian Victory Loan Canvassers Will be Made Welcome in New York

Arrangements are being completed for a group of Canadians to go over to New York and look after the campaign there for the sale of the new Government issue. Last year special permission had to be secured from the Capital Issues Committee before any portion of the Canadian bonds could be disposed of in the United States. This year there are no restrictions but it is understood that a cordial welcome will be given the Canadian "salesmen." Just what portion will be disposed of over there, or can be, has not yet been determined.

The joint chairmen who have consented to take charge of the campaign in the United States, are Norman L. Mather, manager in Canada for the National City Company, and Chas. F. Batchelder, vice-president of the United Financial Corporation, Limited. Associated with them from Montreal will be Col. J. S. Dennis of the C.P.R., Col. W. P. O'Brien of O'Brien & Williams, Victor M. Drury of the Royal Securities Corporation, and Russell Bell of Greenshields & Co. The Toronto members of the committee include Arthur White of the Dominion Securities Corporation, Robert Cassels, Harold Marriott of Osler & Hammond, and Messrs. Loft and Chapman, New York representatives, respectively, of Wood, Gundy & Co., and A. E. Ames & Co.

It is believed that the short term, five-year issue, will be the one that will appeal to the American citizens, or Canadians on the other side, rather than the fifteen-year issue. With exchange against Canada the yield at present would figure out more favorable than 5¼ per cent. Taking the price at 96.30, the five-year bond, bearing interest at the rate of 5½ per cent, would mean a return of 6¾ per cent. On the other hand, if exchange shifted so that the cost was a little higher, say 96.82, the percentage of return would be 6¼. There are other outside Government issues on the market there that would give an equally satisfactory yield, but it is felt that the Canadian issues will be able to appeal strongly to a far wider circle even than former Canadians, or those temporarily resident there.

CREDIT CAN ONLY BE USED ONCE

American Bond Paper Asks For Better Municipal Acts in Canada

That a state or province can not use its credit if it allows the municipalities within its border to use it up, is the opinion expressed by an American bond paper, in connection with the suggestion made by an American bond house in the columns of THE FINANCIAL POST some time ago, that provinces should guarantee the debentures of their municipalities. Though favoring the principle that each municipality should stand on its own feet, "The Bond Buyer" of New York thinks that an exception should have been made in the case of the Prince Albert default, where the Province should have guaranteed the bonds, if only for the sake of the credit of Canadian municipalities. The editorial adds:

> "Canadian municipal officials and provincial lawmakers, in addition to caring for any defaults or threatened defaults growing out of the strained financial conditions of the last few years should keep in close touch with the steadily improving municipal finance acts which are being placed on the statute books of American states. If Canadian cities can point to constitutional or statutory debt limits of 10 per cent. of assessed values, unlimited taxing power to care for indebtedness and financial statements showing net debts within the limit mentioned there will be a ready market among our investors for all the bonds such places offer for sale."

WESTMOUNT'S RATE UP

Increase in Taxation For Next Year of One Mill

That municipalities will feel the results of the higher cost of living for long after the war ends, was made clear this week in the case of the City of Westmount, when the council fixed the rate for the year commencing Nov. 1, 1919, at 12 mills, an advance of one mill over the present rate. The reason given for this was the higher prices for labor, including increases in wages for the firemen and police force. The new rate will be levied on an assessed value of $44,873,000. Mayor McLagan explained that the higher wages for the policemen and firemen were the result of the raise that had taken place in Montreal following the strike.

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INVESTMENTS
FIRST MORTGAGE
Industrial Bonds
Maturing 1920 to 1934
Secured by assets 4½ times the total bond indebtedness. Net earnings for 1918 equal to nine times the bond interest.
TO YIELD 7%
Morgan-Dean, Harris & Co.
Investment Bankers
Bank of Hamilton Bldg., Hamilton, Ont.

To Shareholders of The Imperial Oil Company Limited

IN accordance with the provisions of By-law No. 174, passed and enacted June 19th, 1919, and approved and confirmed by shareholders at the Special General Meeting of July 2nd, 1919, the par value of the outstanding shares of the Company has been changed from $100.00 per share to $25.00 per share, and certificates for four shares will be issued for each share of the $100.00 par value of the outstanding stock.

Pursuant to a By-law and Amended Letters Patent, the name of the Company has been changed from The Imperial Oil Company, Limited, to "Imperial Oil, Limited"; therefore the certificates you will receive in lieu of the certificates that you surrender to us will go forward to you in the name of "Imperial Oil, Limited."

Kindly therefore send by registered mail, on or after October 1st, 1919, addressed to the writer or to James H. Archbold, Assistant Secretary-Treasurer, Room 807, 56 Church Street, Toronto, Ontario, your registered stock certificates or bearer share warrants, listing same on the enclosed form, and completing form in all particulars.

W. T. McKEE,
Secretary.

FIELD OF MUNICIPAL FINANCE

PLAN TO PREVENT THE CONFISCATION OF WESTERN LOTS

Four Alberta Cities Formulate Program to Protect Investors

TAX LOTS AS FARMS

Cities Would Be Divided Into Residential and Agricultural Areas, the Latter To Have Taxes Cut Down

Four Alberta cities, Calgary, Edmonton, Lethbridge and Medicine Hat, have drawn up a programme aimed to prevent the confiscation for unpaid taxes of outlying lots in those cities, bought in the boom days and now undeveloped and unlikely to be developed for some years yet. The plan provides for the assessment of all this undeveloped outlying property on the basis of its actual value for farming purposes. In exchange for this reduction in taxation, the owners will be required to pay into the city treasury when they sell their lands one half of the increased value at the time of sale, taking as increased value the difference betwen the selling price and the average assessment for the years preceding the sale.

The plan, it is expected, will prove of benefit to many people who speculated in Western city lots during the mad rush for land in 1912 and 1913, but as back taxes are not being compromised, it is doubtful if any benefit can accrue to those whose lots are too far out to be developed for residential or industrial purposes within the next few years.

Cities Are Divided

Under the plan drawn up at the conference of delegates of the four cities, each city will be divided into an inner or residential area, and an outer or agricultural area. The line dividing the two areas will be fixed by the city with a view to the development in the near future.

No new plans of subdivision will be allowed in the outer or agricultural area, except in cases where land is ripe for residential purposes. This is probably the really beneficial feature of the scheme, as it prevents the subdividing of land that is to far out for anything but farming purposes.

No utilities, except as required for trunk lines or other engineering purposes, will be extended into the outer area. The lands in the outer area will be assessed at their actual value for agricultural purposes, and the mill rate will be uniform throughout the city. There will be no compromise for back taxes, but an extension of the time of payment will be granted for ten years.

The plan as outlined must be approved by the local councils of the cities in question and also by the provincial public utilities commission before being put into effect.

MANITOBA'S BIG REBATE

Thomas H. Kelly Ordered to Pay Province $1,200,000

According to a judgment by Mr. Justice Curran the Government of Manitoba is to be paid the sum of $1,207,351.65 by Thomas H. Kelly, contractor. This amount, according to the Board of Appraisal, represents overpayments in connection with the contract for the Manitoba Parliament buildings with interest at 5 per cent. from July 1st, 1914. The decision was one on an appeal by Kelly against the ruling of the Board of Appraisal.

The amounts in the appraisers' report which were questioned in the appeal were $160,000 for repairs already made on caisson foundations, $615,000 for prospective repairs on the foundations, and $34,000 for one-half the expense of the Mathers Royal Com-

NEW ASSESSMENT SYSTEM

Hamilton Standardizes Basis of Assessment and Taxation

Hamilton Board of Control has adopted the new system of assessment and taxation formulated by the city's assessment commissioner. The plan provides for an increase in all assessments of 30 per cent., and a reduction in the tax rate of 6 mills on the dollar. The net result would be an increase of about $1.50 per $1,000 in taxation. The basis of assessment is also changed by dividing the city into areas according to their desirability as residential or industrial locations. Buildings are also classified according to size, and type of construction and fixed rates of assessment per cubic foot have been drawn up. The scheme was brought forward as the result of demands for a more

Money By-laws

Those investors who wish to keep in touch with the municipal bond market will find this department useful. It aims to be accurate and convenient. THE FINANCIAL POST makes a specialty of municipal bond news. Municipalities will find it to their advantage to send in direct news of contemplated bond issues.

TENDERS WANTED

Oct. 18, Township of Pelee.—$13,475, drainage debentures, 20 instalments, bearing interest at 6 per cent.—William Stewart, Township Clerk, Pelee P.O. (See announcement on page 13.)

Oct. 25, Municipality of Spirit River—$30,000, 6 per cent., 15-year debentures. —A. Innes, Secretary, Spirit River Station, Alta. (See announcement on page 13.)

Nov. 24, Renfrew.—$17,500, 6 per cent., 30-year, waterworks debentures.

Oct. 18, Township of North Gower.—$5,031, 5½ per cent. debentures, payable yearly, for completion of Mud Creek.—J. E. Craig, Township Clerk, North Gower P.O., Ont.

BY-LAWS PASSED OR DEFEATED

York Township.—$80,000, in connection with the financing of the township waterworks system. Passed by the Council on October 6.

Grande Prairie.—$2,500, for sinking a new well; $10,500 for building a town hall. Passed by the burgesses on September 23.

Plympton, Ont.—$3,000, under the Tile Drainage Act, for the purpose of constructing tile drains. Passed by the Council on Sept. 20.

BY-LAWS TO BE VOTED ON

Oct. 17, Ingersoll.—$120,000, for the erection of a sixteen-roomed central school.

Oct. 18, Renfrew.—$25,000, for the erection of a fire hall, etc.

January, London, Ont.—$50,000 for replacing the Ridout street bridge; $100,000 for new reservoir.

DEBENTURE NOTES

Orillia.—At a recent meeting of the town council the Water, Light and Power Commission was given authority to issue $24,000 in waterworks debentures.

St. John, N.B.—At a recent meeting of the Council the proposal to spend about $800,000 on a permanent pavement programme extending over a period of four years, and issuing debentures for that amount, was discussed.

Courtright, Ont.—The by-law to raise $12,000 for the construction of a system of waterworks in Courtright was defeated at the polls recently by 48 to 47 by the village of Courtright. It was proposed to install a waterworks system and mains along the streets of Courtright at a cost of $12,000. The proposed source of supply had been submitted to the Provincial Board of Health, and had been approved by that body, but the proposal was defeated by one vote.

York Township.—It was reported at a meeting of the Council held during the week that no tenders had been received for the debentures amounting to $6[illegible],000, intended for the construction of a school on S.S. No. 15. The period for submitting the tenders was extended.

Guelph.—The ratepayers of the city will be asked at the municipal election in January next to vote a sufficient sum of money to put Royal City Park, situated along the Speed River, in first-class condition. This was decided upon at the regular meeting of the Parks and Building Committee held recently. The committee felt that the time had come when the city parks must be improved in order to provide some suitable place of recreation for the citizens, and the Royal City Park is one of those which will be dealt with first. Estimates of the amount of money needed for this purpose were ordered to be prepared, and these will be submitted in plenty of time.

SASKATCHEWAN

The following is a list of debentures reported sold from September 1 to 20:

School Districts.—Hayland, $3,000, Gt. West Life Assur. Co., Winnipeg; West Brook, $900, Cross, Jonah, Hugg & Forbes, Regina; Harriville, $2,600, Harris, Read & Co., Regina; Whoosier, $1,500, Western Trust Co., Winnipeg; Regina P.S.D., $9,000, Huron & Erie Loan Co., Regina; Maidstone, $14,000, Gt. West Life Assur. Co., Winnipeg; Atoimah, $2,800, and Anemone, $5,000, Gt. West Life Assur. Co., Winnipeg; New Hastings, $3,800, Cross, Jonah, Hugg & Forbes, Regina; Aurora, $2,000, Can. Landed & National Invest., Winnipeg; Amulet, $3,000, and Northgate, $1,100, Can. Landed & National Invest., Winnipeg; Manitou Hill, $3,500, Western Trust Co., Winnipeg; Edenwold, $8,500, Regina Sinking Fund Trustees; Concord, $4,150, Cross, Jonah, Hugg & Forbes, Regina; Stratton, $3,400, Gt. West Life Assur. Co., Winnipeg.

Rural Municipalities.—Wellington No. 97, $10,000, H. J. Birkett & Co., Toronto.

Villages—Ruddell, $2,000, Bond & Debenture Corporation of Can., Winnipeg.

Towns—Rosetown, $10,000, $850. $1,150, G. A. Stimson & Co., Toronto.

Cities—Moose Jaw, $45,000, Wood, Gundy & Co., Saskatoon.

BOND SALES

$400 Asbestos at 77½; $1,000 Can. Bread at 94; $8,400 Can. Cement at 100; $5,000 Can. Car at 90⅛; $5,000 Can. Cottons at 86; $3,000 Cons. Rubber at 96; $4,000 Dom. Canners at 92¾; $3,000 Dom. Iron at 89¼ to 86¼; $5,000 Dom. Textile at 99½ to 99; $1,000 Dom. Cotton at 100; $4,100 Lyall Cons. at 96; $1,000 Montreal at 101; $8,500 Montreal Trams, debs. at 70½ to 70; $1,000 Nat. Breweries at 100; $2,000 Ogilvie at 100; $3,000 Penmans at 90; $3,000 Quebec Rly. at 65; $500 Sher.-Williams at 100¼; $8,000 Steel of Canada at 98 to 97; $400 Wayagamack at 85½ to 85; $178,350 Victory Loan (1922) at 100⅛ to 100; $625,900 (1923) at 100⅜ to 100; $48,850 (1927) at 102⅛ to 101¾; $1,168,800 (1933) at 103¾ to 103¼; $99,400 (1937) at 104⅞ to 104⅝; $14,800 War Loan (1925) at 97⅞ to 97½; (1931) at 99 to 98¾; $126,300

'PEG HYDRO SYSTEM HAS SURPLUS AGAIN

Earnings Increase, and There is a Gain in Number of Customers

Notwithstanding decreased population, and the general increase in the cost of labor and material, Winnipeg's Hydro-Electric system is able to report a surplus of $52,000 on its operations for the year ending April 30, 1919. This compares quite favorably with the 1918 figures of surplus of $54,000. Total assets increased during the year from $9,535,173 to $10,243,773, and from 1913 they have increased from $6,623,663. The number of customers has shown increases every year. In 1913, the system served 22,015 customers; in 1918, 36,343, and in 1919, 37,809. Gross earnings, which have shown a gradual increase each year, were $1,097,197 last year.

Since the war broke out, over $600,000 has been expended on extensions to the plant, all of which has been financed from the reserve fund.

Features of the Winnipeg Hydro-Electric system which distinguished it from many publicly-owned enterprises are freedom from political influence, and a scientific method of keeping accounts, which puts the system on a business basis.

Comparative figures for the past years are as shown hereunder:

For year ending April 30.	Gross Earnings	Surplus for Year	Units Generated
1913....	$ 545,644.18	$83,432.90*	38,704,220
1914....	867,621.47	81,897.96	60,337,635
1915....	976,347.50	78,684.72	70,654,360
1916....	995,511.37	79,729.67	75,634,750
1917....	1,020,480.25	84,574.53	82,278,970
1918....	1,056,281.88	54,740,06	85,336,830
1919....	1,097,196.99	52,881.00	88,947,190

*Deficit.

RAILWAY EARNINGS

Gross for Fourth Week of September Shows 27 Per Cent. Gain

After lagging behind for the earlier months of the year in earnings the Canadian Pacific Railway Company is showing a lead in the later portion of the year to the other lines. For the fourth week of September, the gross earnings for this road showed an increase of $1,753,000, or 41.6 per cent. as compared with the corresponding week of last year. The G. T. R. showed an increase of 8.4 per cent. and the C. N. R. a gain of 21.6 per cent. The figures for the three lines are as follows:

	1919.	Increase.	%
C. P. R........	$5,963,000	$1,753,000	40.6
G. T. R........	2,304,676	178,499	8.4
C. N. R........	2,838,480	485,293	21.6
Totals	$11,106,156	$2,416,782	27.8

CITY TO SELL VICTORYS

Saskatoon Considers Proposal to Take Advantage of Premium

The attractiveness of the "premium" market for outstanding Government bonds as a means of realizing a fair margin of profit and providing funds for re-investment in the new Victory Loan is indicated by the proposal favorably considered at a recent meeting of the Saskatoon city council to "dispose of $500,000 of last year loan bonds and re-invest the proceeds in the coming Victory Loan." It was stated that it was possible under the conditions that the city could make in the neighborhood of $20,000 by such a deal.

Mayor MacMillan explained that he had had correspondence with the Bank of Montreal and Wood, Gundy & Co., and both had agreed with him as to the wisdom of such a step. The council decided to approach the Bank of Montreal with a proposition to put through a deal of this kind provided it could be done within certain specified figures.

500 MUNICIPAL ISSUES

In U.S.A. in September—Half Billion Raised This Year

The enormous total of $64,762,316 was raised by new issues of municipal debentures in the United States in September. In September of last year the amount was $18,412,000. There were 500 new issues in all during the month. So far this year, 3,922 new issues of municipals have been brought out in the United States, totalling $508,847,149. Last year there were 3,390 new issues in twelve months. Comparative figures are as follows:

	September.	Nine months.
1919	$64,762,316	$508,847,149
1918	18,412,479	172,401,448
1917	29,253,018	398,559,343
1916	19,399,642	376,341,515
1915	28,768,418	495,364,676
1914	12,430,549	370,725,859
1913	26,824,615	294,044,234
1912	15,495,485	331,698,861
1911	24,951,035	379,277,840
1910	14,878,967	230,252,428

Woodstock's assessment for the current year is $5,432,925, an increase of $93,410 of last year over last year's figures. The population of the city increased 75, and is now 10,126, despite the emigration of large numbers of

VICTORY LOAN 1919

"... My aspiration is.. that the final war financial effort of this country shall be as completely successful as the final effort of our boys overseas."

—*Sir Henry Drayton*

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City of North Bay....	5⅝%
City of Calgary	5.85%

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86 NOTRE DAME STREET WEST
MONTREAL
TELEPHONE MAIN 5173

TENDERS
DEBENTURES—TOWNSHIP OF PELEE

TENDERS will be received by the undersigned, until 6 o'clock P.M., Saturday, October 18th, 1919, for $13,475 Drainage Debentures, 20 instalments bearing interest at six per [illegible] annum.

[illegible] STEWART,
Township Clerk.
Pelee P.

Tenders Wanted

TENDERS will be accepted up to October 25th by the Secretary of the Rural Municipality of Spirit River No. 829, at Spirit River Station, Alberta, for the sale of $30,000.00 worth of fifteen-year debentures, bearing 6% interest.

Rural Mu

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(Members Montreal Stock Exchange)
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HEAD OFFICE:
93-95 NOTRE DAME STREET WEST, MONTREAL
Branch Offices:
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OUR CHARGES

Our charges for the management of an estate are no more and often less than those of a private executor. They are fixed by the Surrogate Court Judge when he audits the estate accounts. The amount which he allows, as the Order of the Court reads is: "a fair and resaonable allowance, for our care, pains, trouble, and time and personal disbursements expended in and about the administering, arranging and settling the affairs of the said estate."

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TORONTO GENERAL TRUSTS
CORPORATION
Head Office, 83 Bay Street, Toronto
Branches at Ottawa, Winnipeg, Saskatoon and Vancouver

We believe that the forthcoming Loan will be the last opportunity offered by the Government to the Canadian people to buy a Dominion of Canada 5½% bond at par.

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BANK OF TORONTO BUILDING
TORONTO

ANOTHER P.A.X. BOOSTER

Regarding the Automatic Telephone System which we have installed at this plant. We consider this installation a great time saver in locating our various Superintendents and Foremen around the plant, and at this time have no suggestions to offer as regards improvements.

LAKE SUPERIOR PAPER CO.—SAULT STE. MARIE
AUTOMATIC ELECTRIC CO. 26 QUEEN EAST TORONTO, CAN.

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—Extract from a letter from a gentleman who placed important business interests in our hands before leaving for Florida for the winter.

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The Sun Life Assurance Company of Canada, with over $340,000,000 of business in force, has all the advantages that size can bring to a life company.

With assets of over $97,000,000 and surplus of over $8,000,000 it has decided strength and safety.

Its policy, conditions and dividend record have earned for it an enviable reputation for liberality, while its record for fair dealing is unexcelled.

For information as to contracts, communicate with the nearest Division office, or with the Company's Head Office in Montreal.

SUN LIFE ASSURANCE COMPANY OF CANADA
HEAD OFFICE—MONTREAL
T. B. MACAULAY, President

BRITISH COLONIAL
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Policies issued by the Society are for the protection of your Family and cannot be bought, sold or pledged.

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HEAD OFFICE - - - TORONTO

LIFE INSURANCE AS PROTECTION

The motive that prompted the inventors of life insurance was the desire to furnish protection. Savings and investments are invaluable accompaniments, but the feature that sells life insurance is protection. That company confers the greatest benefit upon its members that gives "the greatest amount of genuine life insurance protection for the least possible outlay." This aim has ever been the guiding star of the Mutual Life Assurance Company. Following out the principle of co-operation as the Mutual has done means that the company allots the whole of its profit, from all sources whatsoever, to the policyholders, thus reducing their expense for insurance to actual cost—the only Canadian company operating on this principle. The experience of the Mutual has fully justified the hopes of its founders who fifty years ago planned the institution on the basis of

CO-OPERATIVE SERVICE.

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INVEST YOUR SAVINGS
In a 5½ DEBENTURE of
The Great West Permanent Loan Co.
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INSURANCE AND REAL ESTATE

OPINIONS DIFFER ON CASH PAYMENT OF FIRE CLAIMS

American Insurance Commissioner Would Forbid Immediate Adjustments

FIX 60-DAY PERIOD

But it is Contended by Some That it Would Be Fatal To Withhold Capital at Critical Period

The contention of Insurance Commissioner G. Waldon Smith, of Maine, that fire insurance companies should be forbidden by law to pay insurance claims within a fixed time, say sixty days, of the proof of loss does not find universal favor among insurance men here. It is pointed out that when a fire occurs, especially in the premises of the small business concern, that company often needs capital to rebuild immediately, and the delay in paying insurance might result in the failure of the parties insured.

There is, it may be said, a clause in most fire insurance policies written in Canada, stating that the company reserves the right to withold payment of any claim that may arise, for sixty days after proof of loss is filed. But this clause is made almost inactive by another which gives the insurance company the privilege of paying the claim within sixty days, and at a discount of 1 per cent. For the sake of the advertising value of "the prompt payment of claims," insurance companies in this country almost universally pay fire claims as soon after as possible, often without deducting the 1 per cent. allowed.

Overpayment of Losses

In advocating legal restrictions on the prompt payment of losses, Commissioner Smith expressed his belief that payment of losses, "cash without discount," is not in line with public policy, and added:

> "There is a direct connection between the loose adjustment and over payment of losses and incendiarism, and it seems questionable at times, if the practice of leaving small claims to the adjustment by the local agent does not breed conditions that are without doubt detrimental to the public welfare, although the substitution of any other method would lead undoubtedly to increased expense.
>
> "Years ago it was the universal custom of the fire insurance companies to withhold payment of all losses of any magnitude until the expiration of sixty days from the filing of proofs of loss unless the claims were discounted at 6 per cent. per annum. Now it is the exception and act the rule for companies refusing payment of losses—no matter how large—cash without discount, upon receipt of proofs and the approval of claim by the adjuster."

Maine Has the Law

There is already one American state with a law of the nature suggested: Maine prohibits the payment of losses in excess of $100 until the expiration of forty-five days after proof of loss has been received.

It is contended in some quarters in Canada that no loss should be paid until the provincial fire marshall has satisfied himself that there was nothing suspicious about the fire, in which it was incurred. Advocates of this plan think that it would reduce the heavy loss in this country—"appalling" is the word used by one insurance man—from fires due to other than natural causes.

On the other side it is claimed that losses must be promptly paid if business is not to be interrupted by the lack of capital at a critical time. Insurance men taking this view state that the watchfulness of agents and adjusters has reduced the number of suspicious cases to a negligible amount.

WANT LAND BACK

Neebing Clerk Has Inquiry From German Owners

Germans owning property in Thunder Bay district are communicating with the local authorities regarding the condition of their holdings. In the municipality of Neebing, near Port Arthur, there are about 30,000 acres of land, held by enemy owners, and as assessed in the name of J. W. Piepmeyer, of Cassel, Germany.

Since 1914, all communications with Herr Piepmeyer has been cut off, and some of the lands have been sold for taxes and others are still held by the municipality, not having been sold. The clerk of Neebing municipality has just received his first communication from Cassel since the signing of the peace treaty, inquiring as to the condition of the lands as regards taxes and offering to pay up all arrears. He is uncertain as yet as to whether these lands have been forfeited by the German owners, confiscated as enemy property, or whether Herr Piepmeyer has equity of redemption in them, and can re-acquire title on paying up the taxes standing against them.

AMERICAN COMPANY ENTERS

J. E. Clement, Manager of Latest Addition to List

The American Equitable Assurance Company of New York, organized in 1918, has applied for a license for the transaction of fire insurance in Canada. J. E. Clement, Montreal, has been appointed Canadian manager. The financial statement of the company as of June 30th, 1919, shows a paid-up capital of $400,000 and a surplus of $519,180. Its total assets amount to $1,988,884. The company is under reputable and experienced management. It commenced its career with no organization erpenses The securities owned by the Company are of excellent character and include $1,225,000 U. S. Government Liberty Bonds. Mr. Clement will leave next week for British Columbia in connection with the company's organization in Canada.

USE OF OIL AS FUEL ADDS TO FIRE RATES

Oil-Burning Furnace Means Five Cents Per $100 Additional

The use of oil for heating and commercial purposes is becoming increasingly prevalent throughout Canada. The manufacture of munitions necessitated vast quantities of oil for tempering processes, etc., and the use of oil as a fuel has gradually been extending until now there are many large apartment houses, schools and office buildings in the country with oil-burning furnaces. The installation of an oil-burning furnace, or the introduction of a process entailing the use of oil affects the fire insurance rate of the building in question, and a word of warning might be given to all those who have oil installations pending to see that all the companies in which they have fire insurance are notified at once.

Standard oil heating equipment, such as would be used in the average office or apartment house, adds about five cents per $100 to the fire insurance premium. This is only a small percentage of the average fire insurance rates, but it is when oil is used for tempering metals or for similar commercial purposes that the rates are affected to any great degree. During the war, an additional 75 cents per $100 was demanded by the underwriters on some munition plants, while few plants using oil escape with an additional premium of less than 25 cents per $100.

The statutory conditions are clear enough; in some provinces the amount of oil to be stored on the premises insured is stated in the policies; in others, Ontario for example, the policies declare that anything involving a material change in risk must be notified to the insuring companies. The storing of oil or the installation of an oil furnace involves a material change of risk.

SECOND MORTGAGORS ARE NOT PROTECTED

Their Desire To Eliminate Risk Causes Trouble For Insurance Man

An insurance official pointed out the other day that one of the most prolific sources of trouble for the fire insurance man is attempting to satisfy the holder of a second mortgage on a property that is insurable only to the amount of the first mortgage. The holder of the second mortgage on a building feels that he should be protected in case of fire, and demands that the amount of insurance carried should be sufficient to cover the amount of his mortgage as well as that held by the first mortgagor. When the insurance company points out to him, as they are often forced to do, that he can be protected only to the extent that the insurable value of the property exceeds the first mortgage, he is apt to be much annoyed.

Take, for instance, a house valued at $6,000. The purchaser makes an initial payment of $1,000, and places two mortgages, one for $4,000 and another for $1,000. The mortgagors demand that the house be insured. But when the value of the land and the foundations are deducted, it may be found that the companies only care to insure the property for $4,000. In case of fire, the first mortgagor is assured of the safety of his money by the insurance policy, but the second mortgagor has only the credit of the mortgagee and the vacant lot as his security.

LEGISLATION FOR STATE INSURANCE MUST GO SLOWLY

British Columbia Insurance Commissioner Warns Against Hasty Action

SERIOUS FIRE LOSS

Per Capita Fire Loss For Province Over $5, and Most of the Fires Are Due To Carelessness

In view of the resolution adopted at the Industrial Conference at Ottawa, calling for a system of State Insurance, the remarks of the British Columbia Superintendent of Insurance on the subject are timely. In his annual report just issued, the superintendent warns against hasty legislation for state insurance and says:

> "It is a matter fraught with great potentialities for both success and failure. State insurance of this kind has, of course, been in existence for many years in Germany and for some few years in England, but in America it is a novelty. There has been recently much debate and close investigation by our neighbors across the line, and in some States the question has been put to the vote of the people; for example, in California, where it was rejected. The arguments pro and con are naturally very numerous and the considerations involved of grave importance. It may be asserted that the experience of England and Germany is of little value in determining whether such proposals are practicable in this province. The conditions of the population and the area affected, both leading factors, are so different. There is a large body of opinion in the United States adverse to such State insurance, and the most notable element of the opposition is the American Federation of Labor, which is absolutely hostile. The public here seems to be little acquainted with the subject and its ramifications, and the hope may be expressed that the press will thoroughly investigate it before urging either its adoption or rejection."

Insurance in Force

There is over $100,000,000 worth of life insurance in force in British Columbia, says the report which covers the operations of insurance companies in British Columbia during 1918. The commissioner states that business in all lines of life insurance has been increasing. In fire insurance, premium income increased $400,000 over the previous year, and in miscellaneous insurance—health, automobiles, marine, etc.—the premium income increased $200,000.

Some serious figures regarding fire losses in British Columbia, are given by the superintendent, who asks for immediate effective steps to reduce fire waste. Concerning fire losses, the report says:

> "There is a considerable increase in the number of fires and the amount of loss. The latter figures for the first time exceed $2,000,000, making an average loss per diem of over $5,000 and a per capita loss of $5.25, with 400,000 as a round estimate of population for the province.
>
> "No one who examines the statistics can fail to be struck by the numerous instances where carelessness only was the reason for the fire. Many of these fires are no doubt insignificant in themselves, but reviewed in the aggregate and with a realization of the danger attaching to every fire they are extremely serious.

Sparks Cause Fires

> "Among the cities Vancouver's fires and losses alike record increases, accounting for 75 per cent. of the total losses in city municipalities. Its per capita loss is higher than the average for the province. The showing of Victoria is highly creditable. In the table setting forth the causes of fires the increase in number of fires due to exposure is largely attributable to the Stevetson fire. Sparks from different sources caused 25 per cent. of the total number of fires. There were four lives lost by fire during the year."

The importance of the insurance companies as investors in the province is pointed out. The life insurance companies as at the end of last year have invested $16,179,154.61, of which $6,826,824.75 is invested in mortgages and $9,352,329.86 is invested in other securities. Fire and miscellaneous insurance companies have invested $6,588,459.70, of which $3,201,399.01 is invested in mortgages and $3,38,060.69 invested in other securities.

TEN CENT FARES

Nearly Four Hundred Cities Pay Higher Fares in U. S.

WASHINGTON.—Three hundred and eighty-nine cities, having 55 per cent. of urban population, are now paying increased rates. Of this total 29 cities are now paying a 10-cent fare, 19 an 8-cent fare, 100 a 7-cent fare, 17 of which pay an additional cent for each transfer, and 164 are paying a 6-cent fare.

Fares in the remainder have been increased either by a reduction in the length of zones, the adoption of a zone system, the [illegible]

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HEAD OFFICE HAMILTON, CANADA

The Order furnishes life insurance to members in accordance with the Standard of the Government of Ontario. Sick and funeral benefits are also given if desired.

No charters are granted to Local Councils outside of Canada. Being confined to this healthful Northern Zone, the death rate is small and rates proportionately low. The Order has already paid over five million dollars in death and disability claims, and over five hundred thousand dollars in sick and funeral benefits.

Over 600 Councils in Canada. If there is not one in your locality there should be. For full information write to any of the following officers:

J. L. Davidson, Grand Councillor.
W. F. Montague, Grand Recorder
W. F. Campbell, Grand Organizer.
J. H. Bell, M. D., Grand Medical Ex.
HAMILTON - ONTARIO

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Assets over - - $4,000,000.00
Losses paid since organization, over - $45,000,000.00

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Fire, Marine, Automobile, Explosion, Riots, Civil Commotions and Strikes. Insurance.
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Baldwin, Dow & Bowman, Jackson Block

WINTER IN ALGONQUIN PARK

As a winter panacea for coughs and colds, Algonquin Park cannot be equalled. Two thousand feet above the sea, it is always dry and cold, and usually bright, and no matter how cold it is, the man with a sweater will never suffer. Days spent in snow-shoe tramps, through primitive forests, in the breathless flight of the toboggan or ski, and in the ring of steel against the ice-bound waters of some lake, together with evenings spent in social converse around the cosy warmth of an old-fashioned log fire; these slip away unnoticed, but those who have once experienced them return to their avocations with renewed energies, with hardened muscles, and a grateful memory that forever blots out all thoughts of the relaxing South. The "Highland Inn," owned and operated by the Grand Trunk Railway, offers comfortable accommodation at reasonable rates. For all particulars [illegible] N. T. [illegible]nquin Park

STRONGER MARKET IN AGRICULTURAL LANDS IN CANADA

Twenty-five Thousand Soldiers Settled by Government—Loans a Factor

BOTH EAST AND WEST

Influx of Fifty Thousand Americans To Western Canada, Many Seeking New Farms, Has Increased Prices

Activities of the Soldier Settlement Board, which has placed about 25,000 returned soldiers on farms, and a certain stimulus afforded by a perceptible return of the "Back to the Land" movement, have had a strengthening effect on the market for farm lands throughout Canada. In Ontario and other parts of the East, the tendency to increased farm land values has been affected to some extent by the difficulty in getting hired help; this has made farmers in the outlying districts look for smaller farms near the large centres of population. For that reason, though there have been many increases noted in the value of the smaller improved farms near to the larger cities, the general average for agricultural property throughout the whole country is little higher than ten years ago. The West has had the added stimulus of the influx of nearly fifty thousand American settlers in the past nine months who have sold their Iowa and Middle West farms at from $200 to $300 an acre and are buying Western farms at from $30 to $40 an acre.

The activities of the Soldier Settlement Board have been the strengthening factor in the situation throughout all Canada; the shortage of labor has been the uncertain factor. In Ontario 700 returned soldiers have bought farms, aided by Government loans. More are applying for the loans every day. There has been no inflation of farm land prices as the result of the demand from returned soldiers as the board has adopted several safeguards to protect the soldiers from exploitation. The soldiers are encouraged to get farms of from 100 to 120 acres in the real agricultural areas, and not too near the cities. No purchases are allowed unless an experienced valuator has declared the price reasonable. The effect on the general market has been good, as it has prevented false values being created, a result that would not in the long run have been to the benefit of owners of agricultural property.

City People Start Farming

There has been two other sources of demand for farm lands, Dr. George C. Creelman, president of the Ontario Agricultural College, told the FINANCIAL POST. Large numbers of city people have taken small farms near the cities in an endeavor to get away from the high cost of living. Dr. Creelman does not believe this movement will last; living costs will readjust themselves to wages and salaries, he thinks, and there will be a movement back to the city of these amateur farmers, many of whom will not make a success of their experiment. Another reason for the increase in farm land values near the cities have been the housing shortage, which has induced many city men employed in city offices to buy small farms within an hour's ride by train of their office; while they work on the city they live on the farms.

An apparent anomaly exists in the fact that while in some parts of the country farmers have been increasing their holdings, in other places they are selling portions of their farms and concentrating their energies on forty and fifty acre areas. This has been due to varying conditions of labor supply. Near the sources of supply, the larger cities, many farmers have added twenty or thirty acres to their farms; further out the farmers have had to cut down their holdings to a size that they could farm with by their own efforts or with the help of such men as they could get hold of.

Some Typical Prices

As much as $1,500 is being paid for improved farms in the Niagara fruit district, and close to the cities. There are too many factors, such as quality of soil, the wooded area, location, and improvements on the property that enter into the situation to make extended comparisons feasible, but this average price of $1,500 for the best lands may be compared to $100 to $150 an acre for farm lands less accessible from the metropolitan centres, and even lower in the sparsely settled districts. Several sales have been reported of thirty and forty acre farms with good homes built on them, that have sold for $25,000 to $35,000, but, of course, in the finest areas.

But even these prices, which are much higher than prices generally ten years ago, cannot be considered excessive when the yield under present conditions is considered. There is a farmer in Halton county who deposited $2,500 in the bank this week as the proceeds of the sale of clover he raised on 20 acres. A yield of $125 an acre from the crop requiring so little a cultivation as clover on land worth at the most $200 an acre, hardly gives cause for complaint; this incident is probably quite typical.

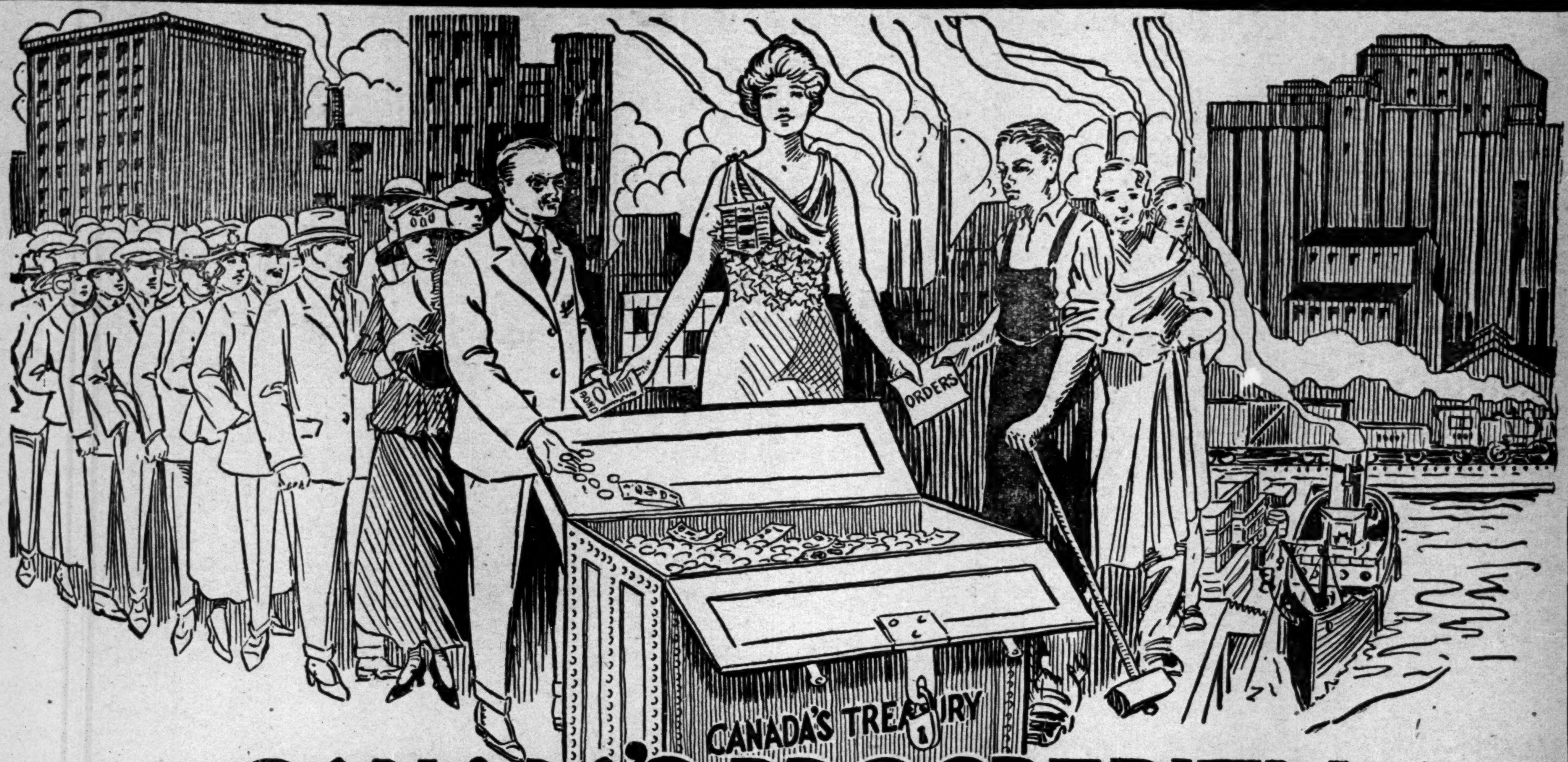
Turning to the West, we find good farm land showing substantial increases in value. Peleg Howland, president of the Imperial Bank, blames a good deal of the increase on inflation due to the prevalence of too much "Government money," but he also states that he looks for a continuance of the general prosperity apparent everywhere because of the good yield obtainable from Western land. Western dealers in farm land state that in their opinion the movement from the Western United States has only just begun. Good farming land in the Winnipeg district, it is said, is not available at the prices that prevailed last spring. At Dugald, which is a typical area, sales have been made at from $35 to $75 an acre of land that last spring could be purchased for $28 to $60 an acre. In Saskatchewan, prices average $30 to $40 an acre. As the territory in Saskatchewan, west of Yorkton, where these sales are reported, has for the past fifteen years consistently produced crops averaging 40 per cent. greater than the land in Dakota, that reports state is selling as high as $200 an acre, it will be seen that the prices even yet are not in up to false levels.

Boldt Castle, on Hart Island, opposite Alexandria Bay, Ontario, in the St. Lawrence River has been sold to a New York syndicate for $75,000, and a million-dollar hotel will be erected there.

Activity in real estate in Hamilton is indicated by the fact that the number of transfers recorded in that city in August was almost equal to the highest number recorded in the record year of 1912. In all 506 dealers were recorded, as compared with 240 in September, 1918.

A number of large German motor car firms have combined to compete with the United States in the production of automobiles. The association is to unify manufacturing by adopting American methods, each factory working to produce as large quantities as possible.

American hardware firms report large orders for hardware for construction purposes from France, Belgium, Greece and Egypt.



CANADA'S PROSPERITY RESTS WITH *YOU*

Continued Business Activity and Good Wages Depend on Canada's New Victory Loan

DURING the past four years Canada's prosperity has been due largely to orders from Great Britain and our Allies.

Canada was able to obtain these orders because she advanced credit to these countries.

Canada was able to give this credit only because you bought Victory Bonds.

Great Britain, with France, Belgium, and other Allies, are now prepared to place large orders with us for the products of our factories, farms, forests and fisheries—provided Canada again gives them credit.

Credit must be given if we are to have any guarantee of good times and good wages. But our workers on these orders must be paid their wages in cash; so, much of the money that you invest in Victory Bonds will go out in wages to Canadians.

You will be absolutely protected—you will get a good rate of interest and all of your money will be paid back at the time stated in the Bond.

Every cent will be spent in Canada, and ultimately circulate to the benefit of all.

Canada can give this credit only if you again buy Victory Bonds.

If Canada is not able to give this credit, other countries will.

Therefore Canada's continued prosperity rests with you.

Victory Loan 1919

"Every Dollar Spent in Canada"

Issued by Canada's Victory Loan Committee,
in co-operation with the Minister of Finance
of the Dominion of Canada.

7% 7%

Selected Investments

To yield the attractive income of

7%

with prospects of appreciation.
Particulars on request.

CAMPBELL, THOMPSON & CO.

7% Canada Life Building TORONTO 7%

"Stocks or Bonds?"

If you now hold—or intend to buy—either, be sure to read Babson's Barometer Letter of Oct. 6th. It gives a vivid forecast of the future trend of both markets, so clearly indicated by present Fundamental Conditions.

BABSON'S

Reports enable you to get a maximum return from your capital without worry, loss of time, or risk involved in ordinary speculation.

Report on Request

A request on your letterhead will bring a copy of the above bulletin. "Stocks or Bonds?" and "200% Profit—A Recital of Facts," gratis.

Write for Bulletin 29G of the

Babson Statistical Organization
Wellesley Hills, Mass.
Largest Organization of Its Character in the World

WISE INVESTMENTS

May Not Bring Greatest Returns, but they are the kind that stand the acid test. During such times as these consult an experienced Financial House before investing. Our services at your command whether you buy or not.

JOHN STARK & CO.
ESTABLISHED 1870 MEMBERS Toronto Stock Exchange
ROYAL BANK BUILDING . . . TORONTO

The New Challenge

The goal is not yet reached. Canada's present VICTORY LOAN must be a successful effort.

It is a mutual obligation that it should be so.

W. F. MAHON & CO.
Investment Bankers
HALIFAX, N.S.

The Standard Bank of Canada

QUARTERLY DIVIDEND NOTICE No. 116

A Dividend at the rate of Three and One-Quarter Per Cent. (3¼%) for the three months ending 31st October, 1919, has been declared, payable on the 1st November, 1919, to Shareholders of record as at the 21st October, 1919.

By order of the Board,
C. H. EASSON,
General Manager.

Toronto,
September 26th, 1919.

LYALL CONSTRUCTION

Lyall Construction common continued as one of the live performers of the week, touching a high mark of 161 and then reacting forty points before again catching its feet and moving back towards the high.

MILL SHIPMENTS BEING DELAYED BY STEEL STRIKE

Trade in Larger Sense Would Like To See Dispute Settled

THE MATTER OF PRICES

Quotations Are Firmer on the Canadian Market—Stocks Getting Down to a More Normal Basis

By A. R. KENNEDY,
Editor, "Canadian Machinery."

The steel trade, in the larger sense, does not like the continuation of the strike at the United States mills. It may be said that shipments are coming through in fairly good shape, but the fact remains that there must be an increasing delay in mill shipments. For the present warehouses are faring better than any other class of the trade. These places deal in standards and the mills often have a good stock of these on hand, and so they can keep on shipping to the warehouses even after they have closed rolling. On the other hand, when a shop making boilers, tanks, etc., goes into the market, their work must be of the "made-to-order" variety, and the capacity for doing this is very much curtailed right now.

It is estimated that about forty per cent. of the men in the steel mills are out on strike. This figure is conceded to be approximately correct. But this does not mean that production has only been cut by forty per cent. In many cases employment is given for morale purposes, as there are not enough men on hand to run the mills.

The curtailment in output is more or less uniform in the different products, but there are variations. Plate capacity was so in excess of requirements that there is still an adequate or nearly adequate supply. There is nearly an adequate output of structural shapes. Tin plate production is less than half what it was averaging just before the strike, but as the canning season is over the restriction does not count for much. In wire products there is great restriction, but wire products are now largely out of season. In sheets the situation is very serious, as sheets were scarce before the strike. The American Sheet and Tin Plate Company has been operating at least 72 per cent. of its sheet mills, seven of its plants being in full operation, but independents are averaging less than 50 per cent., so that sheet production as a whole is not over 60 per cent. of normal. On the whole, sheet plants making specialties, as for metal furniture and automobiles, are affected slightly less than mills making common sheets.

The Matter of Prices

It cannot be charged that there is evidenced an undue desire to boost prices owing to the shortage of material, although there are cases where premiums are asked. One of the independents during the week was claiming 20 cents per hundred premium on plate shipments, but none of the Corporation mills were asking anything above quotations.

It is a fact, though, that prices are firmer in the Canadian market, and it is not altogether due to the strike either. For some time past there has been something close to a stampede in certain places to get stock cleared out and turned into money. The end of the war left some firms with too big a stock and they were anxious to get out and turn it into ready cash. The way to do this was at a price. This at times took in sheets, and another time bars. These stocks have been reduced to the point where those warehouses must now follow the market. When they go in for more business they will first of all have to go into the market and they will then know exactly what they have to pay. This stampede business has been pretty well cleared out, and stocks to draw from are low and may go lower if the strike lasts.

Just how long the strike can continue, and production be curtailed, with a similar treatment of shipments to this country without a resultant curtailment of production in Canada, is problematical.

WORLD'S GOLD RESERVES

France Has Largest Note Circulation — U.S.A. Most Gold

France has the largest note circulation of the three leading nations, Great Britain, the United States and France, according to figures supplied by the Guaranty Trust Company of New York. At par of exchange, the note circulation in France is $6,760,000,000, against which are held gold stocks of $1,075,000,000, or 16 per cent. In Great Britain the figures are: Note circulation, $2,120,000,000 with a gold reserve allocated against the notes issued of $557,000,000, or 26 per cent. The United States has notes in circulation totalling $4,344,000,000, against which are gold reserves of $1,197,000,000, or 27 per cent.

The United States gold reserve does not represent the total gold stock in that country, as it is not all allocated against gold note circulation. On September 1, United States gold stocks totalled $2,944,727,000.

GODERICH MAYOR OPPOSING SCHEME LAKE HURON STEEL

Continued from page 1.

any Ontario town has ever had the privilege of negotiating with. When the formal meeting is held next week and the names of the officers are made public, you will perhaps be the first to realize the position in which you have been placed. Your proper course then will be to tender your resignation for the miserable failure you have made of a big opportunity.

The very night that you were asking, "What is the financial standing of the Company?" representatives of one of the largest Canadian banks were in Detroit negotiating for the underwriting of $4,000,000 of the preferred stock of the Company. That bank had no more information as to our plans than had you; the very difference in the action of yourself and the managers of that bank is indicative of the size and mental calibre of those concerned.

If for any reason this Company locates in this district, but not at Goderich, the cause can be laid to the door of a pessimistic community, lacking leadership at the most critical time in its municipal career.

Yours for a Greater Goderich,
B. H. McCREATH.

The Feeling in Goderich

According to the Goderich "Signal," public opinion is with, rather than against Mayor Wigle. An editorial expression of opinion, in the same issue of the "Signal," has the following:

"It is exceedingly unfortunate that the negotiations between the town council and the Steel Corporation as represented by Mr. McCreath have reached a condition of deadlock. Mr. McCreath appears to lay the responsibility upon Mayor Wigle, but if the "Signal" is any judge of public opinion from seventy-five to ninety per cent. of the people of the town share the Mayor's views, or at any rate are in serious doubt as to the safety of the course upon which the municipality is invited to enter. It would be better, we believe, to delay the submitting of the by-law to the people than to risk its defeat, and in the meantime the proper steps might be taken to remove the unfavorable impression that has gained such headway among the citizens. Frankly, the trouble is that the land-holding company comes in between the council and the steel concern and prevents the "get together" that is desirable. If this difficulty could be removed there should be no further trouble, as the town wants the steel plant and is willing to make any reasonable concession to secure it. Surely there is some way of arriving at a fair agreement, if all parties show a candid and reasonable spirit.—Editor 'Signal'."

As THE FINANCIAL POST understands the case, the mayor objected to Mr. McCreath, the promoter of the Land Co., and the Land Co. in turn promoting the Steel Co., wanting the town to annex 1,008 acres to the town. The mayor's claim is that there is now enough land inside the town limits for a population of from 25 to 30 thousand people. Another feature is that the mayor and others were not sure of securing the Steel Co., and found it difficult to separate the Land Co. from the Steel Co. in the negotiations that had been carried on.

PAPER INQUIRY MOVED UP

Government Not Ready, So Newsprint Probe is Postponed

Because Geoffrey Clarkson, official representative of the Government, has not completed his re-examination of the books of the paper mills, the newsprint inquiry has been postponed until later in the fall. When A. R. Pringle, K.C., paper controller, convened the inquiry in Ottawa on Thursday, he stated that counsel for both sides had consented to the postponement.

It was stated that in the event of A. E. Sharpe, auditor for the manufacturers, being able to secure further figures, the case of the differentials between the mills will be dealt with in the interval.

VON ALVENSLEBEN'S DEBTS

Owes Three Million, and His Assets are $20,000

Alvo Von Alvensleben, reputed representative of the Kaiser in British Columbia, had liabilities of over $3,000,000, and assets of no more than $20,000, stated R. Kerr Houlgate, liquidator of Von Alvensleben Ltd., before the court in Vancouver this week. Alvensleben once had ambitions of being governor of British Columbia, and was picked for that post by the Kaiser. But the Germans did not win the war, and Von Alvensleben's ambitions were foiled. He lost between seven and ten million dollars in the province, spent three years in an internment camp, and today is penniless and in debt.

SERIOUS RAILWAY BURDEN BECLOUDS CANADA'S FUTURE

Country's Development May Be Retarded by Useless R. R. Lines

MR. BEATTY'S VIEW

Individual Initiative Must Be Retained if Deficits Confronting Railway Operators Are To Be Reduced

The seriousness of the railway situation in Canada was touched upon by E. W. Beatty, president of the Canadian Pacific Railway, speaking at a dinner tendered him by the Quebec Board of Trade. Mr. Beatty dealt with the situation entirely as it affects the people of Canada, and apart from his connection with the vast system of which he is the executive head. The possession of a tremendous mileage by the Dominion, which already owns one-half of the railways in Canada, and the periodical additions of further unprofitable mileage made the prospect a disheartening one, said Mr. Beatty, even if the most far-sighted and efficient men were placed in charge of the properties, and even if they were permitted to operate them to the best advantage in the interests first, of the shipper, and second, of the owners.

"Canada was a prosperous country," he said, "and its future, if the commercial affairs of the nation were administered prudently and economically for the next few years, was probably as bright as any country on earth. The danger was that development might be retarded by burdens imposed upon the people before they were able to carry them. There were many miles of railway that represented useless expenditure. Many of them, it was now known, were misconceived and constructed at extravagant cost and in default of any other available parents had been quietly laid on the doorstep of the Government of the country, or it would, perhaps, be more accurate to say—had been placed on that doorstep which had a large 'Welcome' on the mat. They had to be taken care of because they could not be abandoned. The problem which confronted the country was how this could best be done, and if it were possible under any system yet evolved for their administration."

Enterprise Is Needed

Mr. Beatty continued:

"I am convinced that no administration which does not retain individual initiative and enterprise, pride in its work and adequate reward for work well done, can possibly reduce the heavy annual deficits which are confronting the operators of most of Canada's railways.

"To my mind, the determination of the question will rest upon two factors, the extent of the burden cast upon the people and the character of the service given. The difference between a proper and an improper system represents the millions of additional burden to the taxpayer, which he may be called upon to bear, and the high rates of poor service which are due to the inefficiency which any improper system must inevitably provoke."

Promising extension of the Canadian Pacific lines into new territories as their development becomes feasible, Mr. Beatty said:

"I believe that in the next few years a considerable extension of colonization of railway construction will take place, and while I am not unmindful of the hazard and the difficulty in building lines into undeveloped territories, if the work is undertaken prudently and gradually, there is no doubt that the railway extensions will not only keep pace with settlement and production, but will accelerate both."

Good Service on Long Distance

THE problem of keeping Long Distance Telephone Service at the highest standard and avoiding wasteful delays was never more difficult.

In the past, when more lines were needed, it was a comparatively simple matter to add a circuit to a cross-arm, or new cross-arms to a pole lead. But as poles become loaded, new pole leads must be erected. Important highways are already congested with poles for telephone, telegraph and lighting circuits, and dangerous high-tension wires. New rights-of-way are hard to obtain.

It is only quite recently that experts have discovered how long distance lines in lead cables can be made as efficient voice-carriers as open wires. Now telephone engineers are at work on the problem, from both its scientific and economic side, of long distance lines in underground conduits.

Our programme for this year includes an expenditure of a million dollars for Long Distance line construction. **Our aim is that this vital part of our service shall be equal to the most exacting demands of the reconstruction period.**

The Bell Telephone Company of Canada

LOCAL LONG DISTANCE TELEPHONE

Burt stocks were important performers this week, the common going up over 112 and the preferred to 107. Demand found the market bare and holders disinclined to sell with the result that the advances referred to were made on comparatively few transactions.

Wanted — Office manager for brokerage house. Making a specialty of bonds and debentures. Apply with references, and stating salary expected. Box 6, Financial Post.

HYDRO-ELECTRIC SYSTEM

CITY OF WINNIPEG

BALANCE SHEET AS AT 30th APRIL, 1919

ASSETS

Property and Plant		$ 8,007,334.18
Sinking Fund Investments	$ 750,706.00	
Depreciation Reserve Fund—		
Investment of Depreciation Reserve	694,468.76	
Cash in Bank	510,573.67	
Accrued Interest on Investments	3,283.35	
	$1,959,031.78	
Less Accounts Payable	787.00	
		1,958,244.78
Current Assets—		
Accounts Receivable	$ 130,324.88	
Stores	107,441.56	
Consumers' Wiring and Installation	377.73	
Sundry Current Assets	38,854.54	
		276,998.71
Prepaid Accounts—		
Prepaid Insurance		1,195.96
		$10,243,773.63

LIABILITIES

Capital Liabilities—		
City of Winnipeg Cons. Stock	$6,912,000.00	
City of Winnipeg Debentures	490,000.00	
		$ 7,402,000.00
Current Liabilities—		
Accounts Payable	$ 61,982.70	
Bank of Montreal	620,470.44	
Sundry Current Liabilities	1,570.92	
		684,024.06
Accrued Liabilities—		
Unmatured Interest on Funded Debt Accrued	$ 56,247.29	
Wages Accrued	635.01	
		56,882.30
Reserves—		
Depreciation Reserve	$1,150,957.92	
Sinking Fund—		
Invested with Sinking Fund Trustees	750,706.00	
Amount of Annual Levies Accrued	56,580.86	
		1,958,244.78
Uncollectable Accounts		38,360.01
Revenue Surplus		104,262.48
		$10,243,773.63

INCOME ACCOUNT

FISCAL YEAR ENDING 30th APRIL, 1919

OPERATING REVENUES

Commercial Lighting Earnings	$ 251,433.97
Domestic Lighting Earnings	412,218.86
City Light Earnings, buildings	18,196.11
City Light Earnings, street lighting	54,998.88
Municipal Contract Lighting Earnings, not Winnipeg	9,110.17
Commercial Power Earnings	264,017.05
City Power Earnings, buildings	18,223.62
City Power Earnings, Water Works	51,076.25
Municipal Power Earnings, not Winnipeg	3,987.85
Tramway Earnings	5,926.68
Total Operating Revenues	$1,089,198.44
Non-operating Revenue	7,998.55
Total Revenues	$1,097,196.99

OPERATING EXPENSES.

Power	$ 39,199.59
Transmission and Transformation	69,923.35
Distribution	49,196.59
Consumption	9,571.87
Commercial	131,361.43
General	21,735.32
Tramway	25,051.69
Undistributed	37,864.28
Total of above items	$ 383,904.12
Interest on Funded Debt	$ 310,130.00
Interest on Floating Debt	26,997.91
Depreciation (includes Sinking Fund)	306,778.30
Taxes	6,125.90
Contingencies Extraordinary	6,486.03
Financial Expenses	3,893.73
Total Expenses	$1,044,315.99
Surplus for 12 months ending April 30th, 1919	$ 52,881.00
Surplus at beginning of year	49,999.23
Adjustments during year (Profit and Loss Account)	1,382.25
Surplus at close of year, as per Balance Sheet	$ 104,262.48

RECAPITULATION OF ANNUAL STATEMENTS

For Year ending April 30	Total Assets	Total Reserve	Gross Earnings	Total Expense	Surplus for Year	No. of Customers	Units Generated	Peak Load In H.P.
1913	$ 6,623,663.56	$ 20,436.52	$ 645,644.18	$ 629,077.28	$83,432.90*	22,015	38,704,220	14,080
1914	7,847,501.39	360,901.50	867,621.47	785,723.51	81,897.96	29,732	60,337,635	19,550
1915	8,181,372.78	640,213.72	976,347.50	897,662.78	78,684.72	32,953	70,654,360	23,030
1916	8,630,710.80	928,914.92	995,511.37	915,781.70	79,729.67	34,345	75,634,750	26,130
1917	9,070,627.51	1,273,714.41	1,020,480.25	935,905.72	84,574.53	35,392	82,278,970	27,800
1918	9,535,173.11	1,615,618.68	1,056,281.88	1,001,541.82	54,740.06	36,343	85,336,830	28,800
1919	10,243,773.63	1,966,604.79	1,097,196.99	1,044,315.99	52,881.00	37,809	88,947,190	31,133

*Deficit.